



**25<sup>th</sup> ANNUAL REPORT  
2016 - 2017**

**EURO LEDER FASHION LIMITED**

## EURO LEDER FASHION LIMITED

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Board of Directors.      1.Shri.RM.Lakshmanan      -Whole Time Director.  
2.Shri.P.S.Nathan      -Director  
3.Shri.S.Jambunath      -Director  
4.Shri.N.Meenakshi Sundaram      -Director  
5.Mrs.Jayamalini      -Director

Key Managerial Personnel:      Shri. Nagendra Manjunatha - CFO

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,  
Chennai - 600 044

R.N.Kandigai,  
Kacheepuram District-603 403

No.24,S. Parganas Amtala,  
Kolkata-743398  
Tel.044-42943202, 044-42943203, 044-42943204  
Fax.044-42943222

Bankers:      Canara Bank, Midcorporate Branch, Chennai.

## EURO LEDER FASHION LIMITED

### NOTICE TO MEMBERS

Notice is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the members of M/s. EURO LEDER FASHION LIMITED will be held on Thursday, the 21<sup>st</sup> day of September, 2017, at 10.30 A.M., at Mahalaya Residency, No.114, GST Road, (Opp. Areva) Pallavaram, Chennai - 600 043, to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March 2017, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, together with the notes thereon and the schedules thereto and the reports of the Auditors and the Directors.
2. To re-appoint Shri. RM Lakshmanan (DIN: 00039603) Whole-Time Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint Statutory Auditors of the Company. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 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), M/s. S Ramakrishnan Associates, Chartered Accountants (ICAI Regn. No. 006637S) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s. N. Venkatesan Associates, Chartered Accountants, for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification in every subsequent Annual General Meeting, on remuneration to be fixed by the Board of Directors.”

#### **SPECIAL BUSINESS:**

#### **4. To consider and if thought fit, to pass, the following resolution as a Special Resolution:**

“RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Jayamalini (DIN: 07165811), Independent and Women Director of the Company, whose term of office expires on 23.09.2017 and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director be and is hereby re-appointed as an Independent and Women Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years w.e.f. 21.09.2017.”

“RESOLVED FURTHER THAT Shri. RM Lakshmanan (DIN: 00039603), Whole Time Director, 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”.

By Order of the Board

Place: Chennai  
Date: 31.07.2017

RM. Lakshmanan  
Whole Time Director  
(DIN: 00039603)

## EURO LEDER FASHION LIMITED

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and proxy need not be a member. The proxies should be lodged with the company not later than 48 hours before the time fixed for the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

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.
4. The Register of Members and Share Transfer Books will remain closed from **15<sup>th</sup> September, 2017 to 21<sup>st</sup> September, 2017** (both days inclusive).
5. 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.
6. Members are requested to quote their Folio Number in the Correspondence.
7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declaration for his re-appointment.
8. 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.
9. 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.
10. Members are requested to hand over the attendance slip duly signed at the entrance of the meeting Hall.
11. Registration starts at 10.00 a.m. at Mahalaya Residency, No.114, GST Road, (Opposite to Areva), Pallavaram Chennai- 600 043 on Thursday, 21<sup>st</sup> September, 2017

#### **12. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, **the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**, 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 Sunday the 17<sup>th</sup> day of September 2017 (09.00 a.m. IST) and ends on Wednesday 20<sup>th</sup> day of September, 2017 (05.00 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 Thursday, 14<sup>th</sup> day of September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><li>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</li><li>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.</li></ul>
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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>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).</li></ul>

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “EURO LEDER FASHION LIMITED” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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](http://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](mailto: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](mailto: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.

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(xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) **Other instructions:**

- (a) The e-voting period begins on 17<sup>th</sup> day of September 2017 (09.00 a.m. IST) and ends on Wednesday 20<sup>th</sup> day of September, 2017 (05.00 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 14<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 14<sup>th</sup> September, 2017.
  - (c) Shri. S. Ananthanarayan, Practicing Company Secretary (Membership No. FCS 2713), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - (d) The Scrutinizer shall after the conclusion of voting at the general meeting, first account the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and shall declare the results forthwith.
  - (e) The results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL and shall be immediately forwarded to the Stock exchange in which the shares of the Company are listed.
13. Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015):

<b>PARTICULARS</b>	<b>Shri.RM. Lakshmanan</b>	<b>Smt. Jayamalini</b>
Date of Birth	25.12.1966	13.08.1977
Qualification	B.Com	Graduate
Date of First Appointment	05.02.1992	23.09.2015
Name of the other Listed, Public Limited & Private Limited Companies in which he holds Directorship	1. Euro Prime Properties Private Limited 2. Leder Trendz Private Limited	
Shareholding in the Company as on 31.03.2017	1080495	Nil

## **EURO LEDER FASHION LIMITED**

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

#### **ITEM NO.4:**

Smt. Jayamalini (DIN: 07165811), aged 39 years, is a Non-Executive Independent Director of the Company. She was appointed as Independent and Woman Director of the Company on 27.04.2015 and her appointment was confirmed by the Members of the Company in the 23<sup>rd</sup> Annual General Meeting of the Company held on 23.09.2015. Smt. Jayamalini holds B.A degree from University of Madras.

Smt. Jayamalini, was appointed as an Independent and Woman Director of the Company pursuant to Section 149 of the Companies Act, 2013, for a period of two years effective from the conclusion of Annual General Meeting of the Company held on 23.09.2015. In the opinion of the Nomination and Remuneration Committee and Board of Directors of the Company, Smt. Jayamalini fulfills the conditions specified in the Act and rules made there under for her re-appointment as an Independent and Woman Director of the Company and is independent of the management. The Company has received consent from her to continue as an Independent Director of the Company and a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Jayamalini for the office of Director of the Company. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Smt. Jayamalini as an Independent Director. As per Section 149(11) and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment of Independent Director requires consent of the shareholders by way of a Special resolution. Hence, the members are requested to re-appoint Smt. Jayamalini as an Independent Director of the Company, not liable to retire by rotation, for a period of five years effective from the conclusion of this Annual General Meeting.

Except Smt. Jayamalini, being the appointee, none of the other 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.



## EURO LEDER FASHION LIMITED

### DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with Audited accounts for the year ended 31.03.2017

#### FINANCIAL PERFORMANCE

The summarized financial results for the year ended 31.03.2017 and for the previous year 31.03.2016 are as under:

(Rs. in lakhs)		
PARTICULARS	2017	2016
<b>Total Income</b>	<b>8286.60</b>	<b>6327.58</b>
<b>Less: Total Expenses</b>	8160.00	6227.99
<b>Profit before Depreciation and Taxation</b>	<b>126.60</b>	<b>99.58</b>
<b>Less: Depreciation</b>	30.63	36.65
<b>Profit before Tax</b>	95.98	62.93
Provision for Tax	34.44	17.54
<b>Profit after Tax</b>	<b>61.54</b>	<b>45.39</b>
Profit brought forward	707.23	661.84
Profit available for appropriation	768.77	707.23
<b>Profit/Loss carried to Balance Sheet</b>	<b>768.77</b>	<b>707.23</b>

#### 2. PERFORMANCE:

The Company has earned a total income of Rs.8286.60 Lakhs during the year 2016-17 and made a profit before tax of Rs.95.98 Lakhs. The total profit after tax for the year 2016-17 is Rs.61.54 Lakhs compared to Rs.45.39 Lakhs in 2015-16

#### 3. CHANGE IN THE NATURE OF BUSINESS:

Your Company is engaged in the Business of Manufacturing of Leather Garments. There has been no change in the nature of business during the year under review.

#### 4. DIVIDEND:

Your Directors of the Company, decided to plough back the profit for the year and hence do not recommend any dividend for the year. The company has not transferred any amount to the general reserve.

#### 5. SHARE CAPITAL:

The Company during the year under review has not issued any Sweat Equity Shares or Shares with Differential Rights or under Employee Stock Option Scheme nor did it Buy Back any shares. The Authorised Capital remained the same as previous year. However, the company during the year had received an amount of Rs.12,500/- towards the calls in arrears and the Paid Up capital as on 31<sup>st</sup> March, 2017 is Rs.3,90,64,250/-.

#### 6. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES & PERFORMANCE THEREOF:

Your Company does not have any subsidiary, joint venture, associate company as at March 31, 2017. Hence, the details and performance thereof do not arise.

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### 7. DEPOSITS:

The company has not accepted or invited any deposits under the provisions of the Companies Act, 2013, and rules related thereto.

### 8. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not advanced any loans, given guarantees and provided security as provided under Section 186 of the Act, during the year under review. The Company had invested in Canara Rebeco Gold Saving Fund during the year and the total investment as at March 31, 2017, is Rs.122.15 Lakhs which is within the limits specified under section 186 of the Act.

### 9. DIRECTORS:

The Board of the Company consists of Five Directors out of which four are Independent Directors and one is Whole Time Director.

#### *Appointment / Re-Appointment:*

Shri. RM Lakshmanan, Whole – Time - Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Rules thereon, the Board recommends the re-appointment of Smt. Jayamalini as Independent Director for a period of five years with effect from 21<sup>ST</sup> September, 2017. The members are requested to re-appoint Shri.RM Lakshmanan and Smt. Jayamalini.

### 10. BOARD MEETINGS:

During the year under review, the Board of Directors met 4 times on 30<sup>th</sup> May 2016, 30<sup>th</sup> July 2016, 10<sup>th</sup> November 2016 and 11<sup>th</sup> February 2017 and the gap between two meetings was not more than 120 days. The particulars of name of the Directors and attendance are mentioned below:

Name of the Director	Designation & Category	No. of Board Meetings in the year 2016-2017		Attendance at 24 <sup>th</sup> AGM	No. of Other Directorship in Other Public / Private Companies	No. of Membership/ Chairmanship in Other Companies Board Committee
		Held	Attended			
Shri. N.Meenakshisundaram	Director(NEID)	4	4	No	Nil	Nil
Shri. RM. Lakshmanan	Whole-Time Director	4	4	Yes	2	Nil
Shri.S.Jambunath	Director(NEID)	4	4	Yes	Nil	Nil
Shri. P S Nathan	Director(NEID)	4	1	No	3	Nil
Mrs. Jayamalini	Women / Independent Director	4	4	No	Nil	Nil

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### 11. DECLARATION RECEIVED FROM INDEPENDENT DIRECTOR ON ANNUAL BASIS:

As required under Section 149(7) all the Independent Directors of the Company have submitted their annual declaration stating that they meet the criteria of independence as stated Section 149(6) of the Companies Act, 2013.

### 12. COMMITTEES OF THE BOARD:

#### A) Audit Committee

The Audit Committee consists of three (3) Independent Directors as on 31.03.2017. All the members of the Audit Committee have accounting, financial and management expertise. The terms of reference of the Audit Committee include the following:

- (i) recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related parties.

During the year, the Committee met four times on 30<sup>th</sup> May 2016, 30<sup>th</sup> July 2016, 10<sup>th</sup> November 2016 and 11<sup>th</sup> February 2017.

Name of the Member	Status	Category	Meetings	
			Held	Attended
Shri. P. S. Nathan	Chairman	Independent Director	4	1
Shri.N.Meenakshi Sundaram	Member	Independent Director	4	4
Shri.S.Jambunath	Member	Independent Director	4	4

#### B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. In compliance with Section 178 of the Companies Act, 2013, the Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and including criteria for determining qualifications, positive attributes, independence of Directors and other matters.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selecting candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;

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- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Name Of Director	Status
Shri. N. Meenakshi Sundaram	Chairman
Shri. S. Jambunath	Member
Shri. P. S. Nathan	Member

During the year committee met on 30.07.2016

### C) Stakeholders Relationship Committee

The Stakeholders Relationship 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 Committee met One time on 6<sup>th</sup> March 2017. During the year under review, the Company has not received any grievance / complaint.

Name of Directors	Status	No. of Meetings	
		Held	Attended
Shri. S. Jambunath	Chairman	1	1
Shri. RM. Lakshmanan	Member	1	1
Shri. N. Meenakshisundaram	Member	1	1

### 13. 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 Management Personal. The Code has been circulated to all the members of the Board and senior personnel and they have affirmed compliance of the same.

### 14. DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge, belief and according to the information's and explanations obtained by them, the Directors pursuant to Section 134 of the Companies Act, 2013 hereby state that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made for the same.

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- 2) the directors had selected appropriate 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 affairs of the company as at 31st March 2017 and of the Profit of the Company for the year ended 31<sup>st</sup> March 2017
- 3) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- 4) the annual accounts have been prepared the annual accounts on a going concern basis
- 5) the directors, had laid down proper and sufficient internal financial controls and policies and procedures of such internal financial controls are adequate and operating effectively.
- 6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 15. AUDITORS:

The present Statutory Auditors M/s N Venkatesan Associates, Chartered Accountants, Chennai (FRN: 004632S), have been in office for more than ten years and retire at the ensuing Annual General Meeting and. In compliance with the provisions of Companies Act, 2013, the Audit Committee and the Board of Directors at their meetings held on July 31, 2017, recommended the appointment M/s. S Ramakrishnan Associates, Chartered Accountants, Chennai (ICAI Regn.No. 006637S) as Statutory Auditors of the Company.

M/s. S Ramakrishnan Associates, Chartered Accountants, Chennai are proposed to be appointed as Statutory Auditors of the Company for a period of 5(five) years from the conclusion of the 25<sup>th</sup> Annual General Meeting up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification by shareholders at every subsequent Annual General Meeting. M/s. S Ramakrishnan Associates, Chartered Accountants, Chennai have confirmed their eligibility under Section 141 of the Companies Act, 2013 and rules framed there under for their appointment as Statutory Auditors of the Company. The Board recommends the appointment of M/s. S Ramakrishnan Associates, Chartered Accountants, Chennai as Statutory Auditors of the Company.

### 16. COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. N Venkatesan Associates, Statutory Auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

### 17. SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company has appointed Shri. S. Ananthanarayan, Practicing Company Secretary as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report attached with this report as **Annexure – A**.

#### Reply to point 4 of the Secretarial Auditor's report:

- i) **The Company is in the process of identifying a suitable candidate for appointment as Company Secretary.**

## EURO LEDER FASHION LIMITED

### **18. EXTRACTS OF THE ANNUAL RETURN:**

The extract of Annual Return of the Company in prescribed Form MGT – 9 for the financial year ended 31<sup>st</sup> March, 2017 is attached to the report by way of **Annexure – B**.

### **19. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant and material orders passed by the regulators or courts or tribunals against the Company, impacting the going concern status and Company's operation in future.

### **20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments have occurred, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **21. PARTICULARS OF EMPLOYEES:**

None of the employees draws remuneration of Rs. 8,50,000/- or above per month and Rs.1,02,00,000/- or above per year. Hence, details of the employees of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not furnished.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forming part of the Annual Report, is available for inspection at the registered office of the company during working hours. Any member interested in obtaining such information may write to the Company and the same will be furnished without any fee and free of cost.

### **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure – C**.

### **23. RELATED PARTY TRANSACTIONS:**

All the transactions with the related parties entered into during the period under review had been in the ordinary course of business and at arm's length basis. The details of related party transaction pursuant to clause (h) of sub-section 134 of the Act, is enclosed in Form AOC-2 as **Annexure – D**.

### **24. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report, emphasizing the business details, is attached and forms part of the report as **Annexure - E**.

### **25. CORPORATE GOVERNANCE:**

Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, does not apply to your Company, as your Company's equity share Capital and net worth are below the threshold limit prescribed under the said Regulation. Hence, the Report on Corporate Governance is not provided.

### **26. LISTING WITH STOCK EXCHANGE:**

The Company's equity shares are listed in BSE Ltd. The annual listing fee has been paid for the year 2017 – 2018.

## EURO LEDER FASHION LIMITED

### **27. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provisions of Section 135 of the Companies Act 2013 pertaining to Corporate Social Responsibility are not applicable to the Company.

### **28. VIGIL MECHANISM:**

In Compliance of Section 177 of Companies Act, 2013, the Company has set up a Whistle Blower policy. In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report genuine concerns or grievances. Adequate safeguards are in place against victimization of employees who availed the mechanism.

### **29. RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company and steps are taken to strengthen the Risk Management process in keeping with the changes in the external environment and business needs.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. In addition to the Internal Control Systems, the Board has laid emphasis on adequate Internal Financial Controls to ensure that the financial affairs of the Company are carried out with due diligence. These are reviewed by the Internal Auditors of the Company at regular intervals. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

### **30. ANNUAL EVALUATION BY THE BOARD:**

Pursuant to Section 134 of Companies Act, 2013 and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors has carried out an annual performance evaluation of the Board, its Committees, and Directors individually and is carried out as per the criteria laid down by the Nomination and Remuneration Committee.

Accordingly, as per Schedule V of Companies Act, 2013, the Independent Directors of the Company at their separate meeting evaluated the performance of non independent directors and the Board as a whole. They also evaluated the performance of Chairman of the Company and flow of information from the Management to the Board.

### **31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013. During the year under review no complaint has been received.

### **32. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their thanks to the Shareholders, Customers, Suppliers Banks and Government 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.

Place: Chennai  
Date: 31.07.2017

RM.Lakshmanan  
Whole Time Director  
(DIN:00039603)

S.Jambunath  
Director  
(DIN: 00077420)

## EURO LEDER FASHION LIMITED

**ANNEXURE - A**

**Secretarial Audit Report**  
(For the Year ended 31 March, 2017)

**Form No. MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Euro Leder Fashion Limited,  
CIN: L18209TN1992PLC022134  
99, G. S. T. Road,  
Pallavaram,  
Chennai 600 043

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Euro Leder Fashion Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. Members are requested to read this report along with my letter of even date annexed to this report as Annexure- 1.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Euro Leder Fashion Limited** ("The Company") for the year ended March 31, 2017 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR)
    - vi. The Memorandum and Articles of Association.

During the year ended under review the Company has complied with provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

Other Laws applicable to the Company



## EURO LEDER FASHION LIMITED

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Industrial Disputes Act, 1947  
The Payment of Wages Act, 1936  
The Minimum Wages Act, 1948  
The payment of Gratuity Act, 1972  
The Contract Labour (Regulation and Abolition) Act, 1970  
The Income Tax Act, 1961  
Shops and Establishments Act, 1948  
The Customs Act, 1962  
The Finance Act

I have also examined compliance with the applicable clauses of the following;

- i) The Secretarial Standards issue by the institute of Company Secretaries of India
- ii) The Listing Agreement entered in to by the Company with BSE Ltd

2. I have been informed that for the financial year ended March 31, 2017

- i. the Company was not required to maintain books, papers, minute books, forms and returns according to the provisions of for following Regulations and Guidelines under SEBI Act:
  - (a) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Option Purchase Scheme) Guidelines, 1999;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (e) The Maternity Benefit Act, 1961
  - (f) Competition Act, 2002
  - (g) Legal Metrology Act, 2009.

ii. there are no laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of the audit.

3. I have examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned in paragraph 1 above to the extent applicable except the following:

The company has not appointed a Company Secretary

5. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and

## EURO LEDER FASHION LIMITED

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

6. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

7. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place : Chennai**

**Date : May 25, 2017**

**S. ANANTHANARAYAN**

**FCS 2713, CP 1828**

### Annexure- 1 to the Secretarial Audit Report of even date

To

The Members,  
**Euro Leder Fashion Limited,**  
CIN: L18209TN1992PLC022134  
99, G. S. T. Road,  
Pallavaram,  
Chennai 600 043

#### **My Secretarial Audit Report of even date is to be read along with this letter**

1. Maintenance of secretarial records is the responsibility of the management of the company: My responsibility is to make a report based on the secretarial records produced to me for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices I followed provide a reasonable basis of my report.
3. I have not verified the correctness and appropriateness of financial records and books of account of the Company.
4. I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of the Corporate and other applicable laws, rules and regulations is the responsibility of the management: My examination was limited to the verification of procedure on test basis. Actions carried out by the Company based on independent legal/professional opinion obtained have not been considered as non-compliance wherever there was scope for multiple interpretations, especially since this is the first full year in which the Companies Act, 2013 has become operational.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Chennai**

**Date : May 25, 2017**

**S. ANANTHANARAYAN**

**FCS 2713, CP 1828**

**Annexure - B**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31/03/2017

Of

**EURO LEDER FASHION LIMITED**

[Pursuant to Section 92(3) of the Companies Act, 2013  
And  
Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

## EURO LEDER FASHION LIMITED

### I. REGISTRATION AND OTHER DETAILS:

(i) CIN:	L18209TN1992PLC022134		
(ii) Registration Date	05.02.1992		
(iii) Name of the Company	Euro Leder Fashion Limited		
(iv) Category / Sub-category of the Company	Public Company / Having a Share Capital		
(v) Address of the Registered office and contact details	99, G.S.T. Road, Pallavaram, Chennai– 600043Tel: 044-42943204 / 42943203 / 42943202		
(vi) Whether listed Company If yes, details of stock exchanges where shares are listed	Yes		
	S.No	Stock Exchange Name	Code
	1	Bombay Stock Exchange	INE940E01011
(vii) Name and Address of Registrar & Transfer Agents ( RTA )	Cameo Corporate Services Ltd No.1.Club House Road, Chennai, Tamilnadu – 600002. Tel: 044 - 28460390 Email id: cameo@cameoindia.com		

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing Of Leather Garments	1410	89%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

### IV. SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of shares held at the beginning of the year (As on 31-March-2016)				No. of shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1257752	518900	1776652	39.71	1257752	518900	1776652	39.71	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(1)</b>	<b>1257752</b>	<b>518900</b>	<b>1776652</b>	<b>39.71</b>	<b>1257752</b>	<b>518900</b>	<b>1776652</b>	<b>39.71</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Subtotal(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1257752</b>	<b>518900</b>	<b>1776652</b>	<b>39.71</b>	<b>1257752</b>	<b>518900</b>	<b>1776652</b>	<b>39.71</b>	<b>0</b>

## EURO LEDER FASHION LIMITED

### IV. SHARE HOLDING PATTERN (EQUITY)

Category of Shareholders	No. of shares held at the beginning of the year (As on 31-March-2016)				No. of shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	17700	17700	0.40	0	17700	17700	0.40	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (individual)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>17700</b>	<b>17700</b>	<b>0.40</b>	<b>0</b>	<b>17700</b>	<b>17700</b>	<b>0.40</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	49498	0	49498	1.11	45350	0	45350	1.01	(0.10)
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	571321	1433096	2004417	44.81	533300	1425896	1959196	43.80	(1.01)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	286508	278200	564708	12.62	314207	278200	592407	13.24	0.62
<b>c) Others (specify)</b>									
Clearing Member	0	0	0	0	995	0	995	0.022	0.02
Hindu Undivided Families	11635	0	11635	0.26	20212	0	20212	0.45	0.19
Non Resident Indians	9190	39400	48590	1.09	21288	39400	60688	1.36	0.27
Any Others	0	400	400	0.01	0	400	400	0.01	0
<b>Sub-total (B)(2):-</b>	<b>928152</b>	<b>1751096</b>	<b>2679248</b>	<b>59.89</b>	<b>935352</b>	<b>1743896</b>	<b>2679248</b>	<b>59.89</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>928152</b>	<b>1768796</b>	<b>2696948</b>	<b>60.28</b>	<b>935352</b>	<b>1761596</b>	<b>2696948</b>	<b>60.28</b>	<b>0</b>
<b>TOTAL (A)+(B)</b>	<b>2185904</b>	<b>2287696</b>	<b>4473600</b>	<b>100</b>	<b>2193104</b>	<b>2280496</b>	<b>4473600</b>	<b>100</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs&amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2185904</b>	<b>2287696</b>	<b>4473600</b>	<b>100</b>	<b>2193104</b>	<b>2280496</b>	<b>4473600</b>	<b>100</b>	<b>0</b>

## EURO LEDER FASHION LIMITED

### B) Shareholding of Promoter-

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Narayan S	200	0.00	0	200	0.00	0	0
2.	Ramanathan AR C/o Euro Investments	100	0.00	0	100	0.00	0	0
3.	Ramanathan AR	600	0.01	0	600	0.01	0	0
4.	Lakshmanan RM	10,80,495	24.15	0	10,80,495	24.15	0	0
5.	Meenal N	1,23,100	2.75	0	1,23,100	2.75	0	0
6.	Meenal L	1,59,657	3.57	0	1,59,657	3.57	0	0
7.	Arun RM	1,36,400	3.05	0	1,36,400	3.05	0	0
8.	Meenal RM	2,32,600	5.20	0	2,32,600	5.20	0	0
9.	Rakkaye Annamalai	5,000	0.11	0	5,000	0.11	0	0
10.	Lakshmanan RM Ramanathan AR	38500	0.86	0	38500	0.86	0	0
	Total	17,76,652	39.71	0	17,76,652	39.71	0	0

### C) Change in Promoters' Shareholding: No Change

### D) Shareholding Pattern of top ten shareholders:

S No	Name	Shareholding at the beginning of the year (as on 01.04.2016)		Date	Increase / Decrease in Share holding	% of Total Shares of the Company	Reason For Increase / Decrease	Cumulative Shareholding during the year (01.04.2016 – 31.03.2017)	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1.	Indira Chidambaram Meenakshisundaram Chidambaram	99,300	2.22	—	—	—	—	99,300	2.22
2.	Meyappan	92,400	2.06	—	—	—	—	92,400	2.06
3.	Sangeetha S	65770	1.4701	08.07.2016	1300	0.0290	Market Purchase	67070	1.49
				31.03.2017	(67070)	(1.49)	Market Sale	0	0
4.	Veena Devi N	56,300	1.25	—	—	—	—	56,300	1.25
5.	Sathya S	42,460	0.94	14.10.2016	(42,460)	(0.94)	Market Sale	0	0
6.	VSL Securities Private Limited	32,544.73	0.71	07.10.2016	(22,544)	(0.50)	Market Sale	10,000	0.22
				24.03.2017	(1)	(0)	Market Sale	9,999	0.22
				31.03.2017	(695)	0.01	Market Sale	9,304	0.21

**EURO LEDER FASHION LIMITED**

7.	Mangala Sadavatre	36,360	0.81	11.11.2016	1,549	0.03	Market Purchase	37,909	0.84
				16.12.2016	(100)	(0)	Market Sale	37,809	0.84
				30.12.2016	(1,549)	(0.03)	Market Sale	36,260	0.81
				13.01.2017	(200)	(0)	Market Sale	36,060	0.81
				10.02.2017	(50)	(0)	Market Sale	36,010	0.81
8	Savitha S	23,290	0.52	14.10.2016	(23,290)	(0.52)	Market Sale	0	0
9	REKHA	23,000	0.51	—	—	—	—	23,000	0.51
10	Y GOKUL	22,918	0.51	—	—	—	—	22,918	0.51
11	Subramanian P	0	0	14.10.2016	1,32,820	2.97	Market Purchase	1,32,820	2.97
				18.11.2016	630	0.01	Market Purchase	1,33,450	2.98
12	Sanjay Suresh Khedkar	0	0	23.09.2016	3,650	0.08	Market Purchase	3,650	0.08
				30.09.2016	4,206	0.09	Market Purchase	7,856	0.17
				07.10.2016	24,670	0.55	Market Purchase	32,526	0.73
				14.10.2016	177	0.00	Market Purchase	32,703	0.73
				04.11.2016	1,536	0.03	Market Purchase	34,239	0.76
13	Palaniappan SP	18,800	0.42	25.11.2016	(471)	(0.01)	Market Sale	33,768	0.75
14	P RAJMOHAN	0	0	22.07.2016	15,000	0.33	Market Purchase	15,000	0.33

**E) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Name of the Director & Key Managerial Personnel	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Lakshmanan RM</b>				
	At the beginning of the year	10,80,495	24.15	10,80,495	24.15
	At the end of the year	10,80,495	24.15	10,80,495	24.15

## EURO LEDER FASHION LIMITED

### V. INDEBTEDNESS

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14,81,26,644	0	0	14,81,26,644
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	14,81,26,644	0	0	14,81,26,644
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,23,56,220			2,23,56,220
* Reduction	28,40,985	0	0	28,40,985
<b>Net Change</b>	1,95,15,235	0	0	1,95,15,235
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16,76,41,879	0	0	16,76,41,879
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	16,76,41,879	0	0	16,76,41,879

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

((in Rs.))

S.No.	Particulars of Remuneration	Name of the MD/WTD/Manager RM. Lakshmanan (WTD)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,48,000	15,48,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission	—	—
5.	Others, please specify	—	—
	<b>Total (A)</b>	15,48,000	15,48,000
	Ceiling as per the Act	As prescribed under Companies Act, 2013 and rules made there under.	



## EURO LEDER FASHION LIMITED

### B. Remuneration to other directors:

(in Rs.)

S No. 1	Particulars of Remuneration Independent Directors	Name of Directors				Total
		N Meenakshi sundaram	S Jambunath	P S Nathan	S Jayamalini	
	Fee for attending board committee meetings	16,000	16,000	NIL	6,000	38,000
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>16,000</b>	<b>16,000</b>	<b>NIL</b>	<b>6,000</b>	<b>38,000</b>
	<b>Total Managerial Remuneration</b>	<b>16,000</b>	<b>16,000</b>	<b>NIL</b>	<b>6,000</b>	<b>38,000</b>
	Overall Ceiling as per the Act	As prescribed under Companies Act, 2013 and rules made there under.				

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S No	Particulars of Remuneration	Key Managerial Personnel M Nagendra – Chief Financial Officer	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,88,000	2,88,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,80,000	2,80,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission	—	—
5	Others, please specify	—	—
	<b>Total</b>	<b>5,68,000</b>	<b>5,68,000</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

On Behalf of the Board

Chennai  
31.07.2017

RM.Lakshmanan  
Whole Time Director  
(DIN:00039603)

S.Jambunath  
Director  
(DIN: 00077420)

## EURO LEDER FASHION LIMITED

ANNEXURE - C

STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT

### 1. CONSERVATION OF ENERGY

*(i) the steps taken or impact on conservation of energy;*

The Company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilization of energy and regular monitoring of its consumption etc. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.

*(ii) the steps taken by the Company for utilising alternate sources of energy;*

During the year the Company has not taken any steps for utilizing alternate sources of energy. However the Company is exploring the opportunities to use alternate sources of energy such as solar power, LED lights, etc.

*(iii) the capital investment on energy conservation equipments;*

During the year the Company has not made any capital investment on energy conservation equipments.

### II. TECHNOLOGY ABSORPTION

#### Research and Development

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

#### 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.

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### EARNINGS:

F O B Value of Exports. : RS. 6891.74 Lakhs

#### Out Go:

Foreign Travel : Rs.28.82 Lakhs

On Behalf of the Board.

Chennai  
31.07.2017

SD/-  
RM.Lakshmanan  
Whole Time Director  
(DIN:00039603)

SD/-  
S.Jambunath  
Director  
(DIN: 00077420)

## EURO LEDER FASHION LIMITED

ANNEXURE-D

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Smt. L. Meenal, Wife Of Director
(b)	Nature of contracts/arrangements/transactions	Payment of Rent
(c)	Duration of the contracts / arrangements/transactions	11 months
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs.15,75,000/- p.a.
(e)	Date(s) of approval by the Board	30 <sup>th</sup> July 2016
(f)	Amount paid as advances, if any	Rs.15,00,000/-

# EURO LEDER FASHION LIMITED

## 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, 2017 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.

### 1. COMPANY AND INDUSTRY STRUCTURE:

The Company manufactures leather garments exclusively for export and has factory at Pallavaram, Uttiramerur, Nagelkeni (Chennai) and Kolkata. All the units are self sufficient to perform their 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, 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.

### 2. 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

	2016-17	2015-16
SALES	7267.70	Rs.5504.42
EXPORTS	7170.19	Rs.5484.67

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 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.5636/ during the year. Buyer's domination was pronounced and our buyers abroad bargained hard in view of the falling 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.

### 3. 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 sales which may go up depending on the resurgence of the economy, besides cyclical improvement. The Company has orders in hand worth Rs.19 crores. The Company's strength lies in the quality of its products and continued patronage of its buyers. However the realization per garment is likely to be low. The peak season is due to start shortly. The order position is healthy and the Company should register a healthy improvement in its performance in 2018-2019.

## EURO LEDER FASHION LIMITED

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### 4. ENVIRONMENT AND SAFETY:

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

### 5. HUMAN RESOURCES:

The initiatives undertaken by the Human Resources Department is always aimed at operationalizing the company's Vision and long term & short term strategy. After long discussion and deliberations with Core Team, Management Team and Senior Management, the company recast the organization structure with a well defined role and job responsibility for each of the position. The Performance Management Process has been introduced for the senior management of the company and it is planned to take PMS process to the next level in financial year 2017-18.

### 6. 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.

### 7. 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

On Behalf of the Board

Date: 31.07.2017

RM.Lakshmanan  
Whole Time Director  
(DIN:00039603)

S.Jambunath  
Director  
(DIN: 00077420)

# EURO LEDER FASHION LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Euro Leder Fashion Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Euro Leder Fashion Limited (hereinafter referred to as "the Company") , comprising of the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

#### 1. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated with respect to the preparation and presentation of these financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

#### 2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## EURO LEDER FASHION LIMITED

### 3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year then ended on that date.

### 4. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure – B"; and
  - (g) *With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:*
    - i. There were no pending litigations which would impact the financial position of the Company.*
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.*
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.*
    - iv. The company has made requisite disclosures in the financial statements in dealings with Specified Bank Notes during the period from 8 Novemeber, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company.*

Place: Chennai  
Date : 29.05.2017

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

(N.VENKATESAN)  
Partner  
Membership No.22021

## EURO LEDER FASHION LIMITED

### ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 5.1 of the Independent Auditor's Report of even date to the members of Euro Leder Fashion Limited ("the Company") on the accounts of the company for the period ended 31st March 2017.

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets  
(b) The fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) According to the information and explanation given to us, and on the basis of our examination of the records of the Company the title deeds of the immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
3. The Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 189 of the Act
4. The company has followed the provisions of Section 185 and 186 of Companies Act in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder
6. The provisions of the order made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 do not apply to the Company.
- 7.A) According to the information and explanation given to us and based on the records of the company, the company has been regular in depositing undisputed statutory dues including Provident 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 with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 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 undisputed 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.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and banks
9. The Company has not raised any money by public offer during the year.
10. 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 we been informed of such case by the management.
11. According to the information and explanation given to us, in respect of Managerial Remuneration, the company has followed the provision of Section 197 read with Schedule V to the companies Act.
12. The company is not a Nidhi Company. Therefore the provision of this clause is not applicable.
13. According to the information and explanation given to us, in respect of transactions with related parties the company has complied with the provision of Section 177 and 188 of Companies Act 2013



## EURO LEDER FASHION LIMITED

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and the same has been disclosed in the Financial Statements, etc. as required by the Accounting Standard.

14. 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.
15. According to the information and explanation given to us, the Company has complied with the provisions of Section 192 of Companies Act 2013 in respect of non-cash transactions with directors or persons connected with.
16. The provision of Section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to this company.

Place: Chennai  
Date : 29.05.2017

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

(N.VENKATESAN)  
Partner.  
Membership No.22021

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### ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Euro Leder Fashion Limited (“the Company”) as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

## EURO LEDER FASHION LIMITED

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company.

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: 29.05.2017

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 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 GENERAL**

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

**1.2 FIXED ASSETS**

Fixed assets are stated at cost.

**1.3 DEPRECIATION**

Depreciation is charged under Straight Line basis at the rates prescribed under Schedule II to the Companies Act, 2013. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

**1.4 INVENTORIES**

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

**1.5 REVENUE RECOGNITION**

- i) Duty Drawback claim are accounted on accrual basis.
- ii) The Company is entitled for import 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 actuarially) determined and in terms of the payment of Gratuity Act, 1972.
- (C) Pension/ Superannuating fund: Employers Contribution to pension / superannuating fund shall be in accordance with the scheme of the company.

**1.8 FOREIGN CURRENCY TRANSACTION**

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

**1.9 SEGMENT REPORTING**

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

**1.10. TAXES ON INCOME**

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

## EURO LEDER FASHION LIMITED

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.

### OTHER NOTES

	<u>31.3.2017</u>	<u>31.3.2016</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	12,45,30,781	12,73,71,766

### 2. MANAGERIAL REMUNERATION:

Directors sitting Fees (No sitting fees is paid to Managing Director and Whole time Director)	38,000	48,000
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### 3. REMUNERATION TO MANAGING DIRECTOR AND WHOLE TIME DIRECTOR:

Salary	15,48,000	6,56,000
Other Perquisites	-	14,144
	15,48,000	6,70,144

\* during the year there was no Managing Director

### 4. 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 (Paid to Smt.L Meenal wife of a Director)	15,00,000
Rent Paid during the year	15,75,000

## EURO LEDER FASHION LIMITED

### (B) RELATED PARTY DISCLOSURE

Nature of Relationship (Wife of Whole time Director) Salary Paid Rs. (Paid to Mr.Sajith Chandran H/o of Director of Mrs.Jayamalini)	4,80,000
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### 5. Disclosure on Specified Bank Notes(SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
<b>Closing Cash in hand as on November 8, 2016</b>	1,00,000	4,33,250.45	5,33,250.45
Add: Permitted receipts	-	7,00,000.00	7,00,000.00
Total Rs.	1,00,000	11,33,250.45	12,33,250.45
Less: Permitted payments	1,00,000	7,73,350.00	8,73,350.00
Less: Amount deposited in banks	0	0	0
<b>Closing Cash in hand as on December 31, 2016</b>	-	3,59,900.45	3,59,900.45

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

### 6. EARNING PER SHARE (EPS)

	31.03.2017	31.3.2016
Profit as per Profit & Loss account (Rs.In lacs).	95.98	62.93
Weighted Average number of equity shares (in lacs)	39.06	39.05
Basic and Diluted Earnings Per Share (Rs. P).	2.46	1.61
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.

## EURO LEDER FASHION LIMITED

(a) Capacities and Production  
(As certified by the Whole Time Director)

Licensed and Installed Capacity		UNITS	31.3.2017	31.3.2016
Leather Garments		Nos	1,50,000	1,50,000
Leather Goods		Nos	2,00,000	2,00,000
Actual production				
Leather Garments		Nos	129852	110193
Leather Goods	Nil	Nos	Nil	Nil

(b) Turnover	UNITS	Qty.	Rs	UNITS	Qty.	Rs.
Leather Garments	Nos	128746	725703027		108679	549039559
Leather	SQ.FT	5993.80	1067234	Sq.Ft-	6913.40	1403120

(C) Opening and Closing Stock of Goods

Opening Stock	UNITS	Qty.	Rs.	UNITS	Qty.	Rs.
Leather Garments	Nos	1044	62,10,450	Nos	839	57,28,822
Leather Goods	Nos	Nil	Nil	Nil	Nil	Nil
		1044	62,10,450		839	57,28,822

Closing Stock:					
Leather Garments		2150	1,12,81,050.00	1044	62,10,450
Leather Goods		Nil		Nil	
			1,12,81,050	1044	62,10,450

(d) Material Consumed	Sq. Ft	Rs.	Sq. Ft	Rs.
Leather	8820447	516222155	5833476	375317404
Other Accessories	107391825		70096021	
	623613980		445413425	

(E) Value of imported / indigenous material consumed

Imports-Landed Cos	9.13%	56932688	7.47%	33277749
Indigenous	90.87%	566681292	92.53%	412135676
	100%	623613980	100%	445413425

(f) Value of Imports on C.I.F basis	Nil	Nil
(g) Expenditure in Foreign Currency		
Selling Expenses	Nil	Nil
(h) Foreign Travel	28.82	16.99
(i) Earning in Foreign Currency		
Exports of goods on F.O.B. value	Rs. 6891.74 Lakhs	Rs.5329.84 lakhs

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

Place: Chennai  
Date : 29.05.2017

**EURO LEDER FASHION LIMITED**

**M/S EURO LEDER FASHION LIMITED  
BALANCE SHEET AS AT MARCH 31, 2017**

CIN:L18209TN1992PLC022134

(Amount in Rs.)

Particulars	Note	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
a) Share capital	2	39,064,250.00	39,051,750.00
b) Reserves and surplus	3	76,877,466.37	70,723,729.39
		<b>115,941,716.37</b>	<b>109,775,479.39</b>
<b>Share application money pending allotment</b>			
<b>Non-current liabilities</b>			
a) Deferred tax liabilities (Net)	4	583,756.00	1,148,326.00
b) Other long term liabilities	5	1,601,879.00	3,166,492.00
c) Long term provisions	6	11,373,103.00	9,473,103.00
		<b>13,558,738.00</b>	<b>13,787,921.00</b>
<b>Current liabilities</b>			
a) Short-term borrowings	7	167,641,879.19	148,126,644.19
b) Trade payables	8	104,269,164.44	18,832,684.41
c) Other current liabilities	9	53,677,825.12	66,358,043.43
d) Short-term provisions	10	5,600,000.00	4,000,000.00
		<b>331,188,868.75</b>	<b>237,317,372.03</b>
<b>Total</b>		<b>460,689,323.12</b>	<b>360,880,772.42</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<u>(a) FIXED ASSETS</u>			
I) Tangible Assets	11	113,673,600.30	21,285,039.04
II) Capital work-in-progress	11	1,939,377.28	1,939,377.28
(b) Non Current Investments	12	8,751.00	8,751.00
(c) Long Term Loans and advances	13	32,428,036.77	29,677,984.77
		148,049,765.35	52,911,152.09
<b>CURRENT ASSETS</b>			
(a) Current Investments	14	12,215,790.05	2,360,000.00
b) Inventories	15	44,691,199.00	35,236,703.00
c) Trade receivables	16	144,264,362.40	146,486,914.00
d) Cash and cash equivalents	17	71,434,886.74	94,047,090.60
e) Short-term loans and advances	18	15,477,199.09	13,144,520.03
f) Other current assets	19	24,556,120.49	16,694,392.70
		<b>312,639,557.77</b>	<b>307,969,620.33</b>
<b>Total</b>		<b>460,689,323.12</b>	<b>360,880,772.42</b>

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**

**RM.Lakshmanan**  
**Whole Time Director**

**S.Jambunath**  
**Director**

**M.Nagendra**  
**Chief Financial Officer**

Place:Chennai  
DATED:29.05.2017

**EURO LEDER FASHION LIMITED**

**M/S EURO LEDER FASHION LIMITED**

CIN:L18209TN1992PLC022134

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs.)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
<b>Incomes</b>			
Revenue from operations	20	802,925,656.40	617,750,351.00
Other income	21	25,735,290.36	15,007,671.50
<b>Total Revenue</b>		<b>828,660,946.76</b>	<b>632,758,022.50</b>
<b>Expenses</b>			
Cost of materials consumed	22	623,613,980.40	445,413,425.92
Purchases of Stock-in-Trade			
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	-5,070,600.00	3,838,650.00
Employee benefits expense	24	44,746,109.50	40,316,417.00
Finance costs	25	15,383,929.35	12,862,275.96
Depreciation and amortization expense	26	3,062,597.00	3,665,620.00
Other expenses	27	137,326,907.53	120,368,521.03
<b>Total Expenses</b>		<b>819,062,923.78</b>	<b>626,464,909.91</b>
<b>Profit before tax</b>		<b>9,598,022.98</b>	<b>6,293,112.59</b>
Tax expense:			
Current tax		3,500,000.00	2,100,000.00
Deferred tax		299,053.00	-346,112.00
Profit and loss appropriation account		-354,767.00	
Profit and loss for the year		6,153,736.98	4,539,224.59
Earnings per equity share:			
Basic		2.46	1.61
Diluted		2.46	1.61

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

**RM.Lakshmanan**  
Whole Time Director

**S.Jambunath**  
Director

**M.Nagendra**  
Chief Financial Officer

Place:Chennai

DATED:29.05.2017



**EURO LEDER FASHION LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

(Amount in Rs.)

	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
<b>A. Net Profit / (Loss) before extraordinary items and tax</b>	9,598,023.00	6,293,112.59
Adjustments for:		
Depreciation and amortisation	3,062,597.00	3,665,620.00
(Profit) / loss on sale / write off of assets	329,192.00	777,802.00
Finance costs	11,414,863.00	9,973,344.75
	<b>14,806,652.00</b>	<b>14,416,766.75</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>24,404,675.00</b>	<b>20,709,879.34</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	-9,454,496.00	21,457,169.00
Trade receivables	2,222,551.00	-63,171,746.00
Loans and advances	(22,800,249.00)	10,188,869.00
Other current assets		
	<b>-30,032,194.00</b>	<b>-31,525,708.00</b>
Adjustments for increase / (decrease) in operating liabilities:		
Other current liabilities & Provisions	67,182,792.00	28,322,406.78
	<b>67,182,792.00</b>	<b>28,322,406.78</b>
Cash flow from extraordinary items	12,500.00	2,681,250.00
Cash generated from operations	61,567,773.00	20,187,828.12
Net income tax (paid) / refunds	3,500,000.00	2,100,000.00
	<b>65,067,773.00</b>	<b>22,287,828.12</b>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>65,067,773.00</b>	<b>22,287,828.12</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	-95,905,348.91	-7,248,998.00
Proceeds from sale of fixed assets	125,000.00	437,810.00
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-95,780,348.91</b>	<b>-6,811,188.00</b>
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in working capital borrowings	19,515,235.00	37,442,472.00
Finance cost	-11,414,863.00	-9,973,344.00
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>8,100,372.00</b>	<b>27,469,128.00</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>-22,612,203.86</b>	<b>42,945,768.17</b>
Opening Cash and cash equivalents as at 01.04.2016	94,047,090.60	51,101,322.43
Closing Cash and cash equivalents as at 31.03.2017	<b>71,434,886.74</b>	<b>94,047,090.60</b>
* Comprises:		
(a) Cash on hand	8,179.45	8,537.95
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	456,176.37	3,671,385.73
(ii) In EEFC accounts	167,534.00	79,664.00
(iii) In deposit accounts with original maturity of less than 3 months	70,802,996.92	90,287,502.92
(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)		
	<b>71,434,886.74</b>	<b>94,047,090.60</b>

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**  
Chartered Accountants  
Firm Regn No:004632S

**For and on behalf of the Board of Directors**

**N.Venkatesan**  
Partner  
Membership No.22021  
Place:Chennai  
DATED:29.05.2017

**RM.Lakshmanan**  
Whole Time Director

**S.Jambunath**  
Director

**M.Nagendra**  
Chief Financial Officer

**EURO LEDER FASHION LIMITED**

**Notes forming part of the Financial Statements as on 31.03.2017**

Particulars	As at 31.03.2017 Amount in Rs.	As at 31.03.2016 Amount in Rs.
<b>Shareholders funds</b>		
<b>2 Share Capital</b>		
Authorized Capital	50,000,000.00	50,000,000.00
50,00,000 Equity Shares of Rs. 10/- each		
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	5,671,750.00	5,684,250.00
<b>Total Rs.</b>	<b>39,064,250.00</b>	<b>39,051,750.00</b>
<b>2.1 Shares in the Company held by each shareholder holding more than 5 per cent shares</b>		
<b>Name of the Shareholders</b>	No of shares held	No of shares held
<b>Shri.RM.Lakshmanan</b>	1,080,495.00	1,080,495.00
<b>% of holding</b>	24.15	24.15
<b>3 Reserves and Surplus</b>		
Opening balance	70,723,729.39	66,184,504.80
Net Profit For the current year	6,153,736.98	4,539,224.59
Closing Balance	<b>76,877,466.37</b>	<b>70,723,729.39</b>
<b>NON CURRENT LIABILITIES</b>		
<b>4 Deferred tax liabilities (Net)</b>		
Related to Fixed assets	583,756.00	1,148,326.00
<b>5 Other Long term Liabilities</b>	1,601,879.00	3,166,492.00
<b>6 Long term provisions</b>	11,373,103.00	9,473,103.00
<b>TOTAL RS.</b>	<b>13,558,738.00</b>	<b>13,787,921.00</b>
<b>CURRENT LIABILITIES</b>		
<b>7 a) Short Term Borrowings-Secured-Ref Note No.7.1, 7.2 &amp; 7.3</b>		
a) Packing Credits	28,111,098.19	20,754,878.19
b) Bills negotiation with bank	124,530,781.00	127,371,766.00
c) Packing Credit foreign currency ( in Rs.)	-	-
d) Canara Bank VSL MSE in Rs.	15,000,000.00	
<b>TOTAL RS.</b>	<b>167,641,879.19</b>	<b>148,126,644.19</b>
<b>7.1</b> Deposit of title deeds of land at adyar belong to the one of the directors relative of the Company		
<b>7.2</b> 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 . &		
<b>7.3</b> Personal guarantee of Two directors of the company		
<b>8 b) 'Trade payables</b>		
Trade Payable-Suppliers	104,269,164.44	18,832,684.41
	<b>104,269,164.44</b>	<b>18,832,684.41</b>
<b>9 C) Other current liabilities</b>		
Other Current Liabilities	52,028,326.58	65,223,499.29
Statutory Dues	726,877.40	596,852.00
Due to Directors	922,621.14	537,692.14
TOTAL RS	<b>53,677,825.12</b>	<b>66,358,043.43</b>
<b>10 D) 'Short-term provisions</b>		
Provision for Income Tax	5,600,000.00	4,000,000.00
	<b>5,600,000.00</b>	<b>4,000,000.00</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>460,689,323.12</b>	<b>360,880,772.42</b>

**EURO LEDER FASHION LIMITED**

Notes forming part of the Financial Statements as on 31.03.2017

<b>ASSETS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
<b>NON CURRENT ASSETS</b>		
<b>11 FIXED ASSETS</b>		
I ) Tangible Assets	113,673,600.30	21,285,039.04
II) Intangible assets	-	-
III) Capital work-in-progress	1,939,377.28	1,939,377.28
Total Rs.	<b>115,612,977.58</b>	<b>23,224,416.32</b>
<b>(b) Non Current Investments</b>		
<b>12 Trade Investments</b>		
Equity Shares -Fully Paid up 154 Shares in Lakshmi Vilas Bank Ltd (Aggregate Value of quoted invesment)	8,751.00	8,751.00
Total Rs.	<b>8,751.00</b>	<b>8,751.00</b>
<b>13 (c) Long Term Loans and advances</b>		
Unsecured Considered Good		
Capital Advances		
Rental and Security Deposits	9,124,224.52	8,884,224.52
Advance Income Tax & Self assessment tax	16,327,371.00	13,831,227.00
Others	6,976,441.25	6,962,533.25
Total Rs.	32,428,036.77	29,677,984.77
Grand Total Rs.	<b>32,428,036.77</b>	<b>29,677,984.77</b>
<b>CURRENT ASSETS</b>		
<b>14 Current Investment</b>		
Canara Rebeco Gold Saving Fund	12,215,790.05	2,360,000.00
	<b>12,215,790.05</b>	<b>2,360,000.00</b>
<b>15 Inventories</b> (As Certified by the Managing Director)		
Raw Materials including Scraps	27,487,441.00	24,738,592.00
Consumables	5,922,708.00	4,287,661.00
Work in Progress	1,547,500.00	775,000.00
Finished Goods	9,733,550.00	5,435,450.00
Total Rs.	<b>44,691,199.00</b>	<b>35,236,703.00</b>

**EURO LEDER FASHION LIMITED**

**Notes forming part of the Financial Statements as on 31.03.2017**

<b>ASSETS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
<b>16 Trade Receivables</b>		
Unsecured		
Debts overdue for a period exceeding six months		
- Considered Good ( exceeds one year)	-	-
- Doubtful		
Other debts		
- Considered Good ( Current Year receivables)	144,264,362.40	146,486,914.00
- Doubtful		
Total Rs.	144,264,362.40	146,486,914.00
Less: Provision for doubtful debts		
Total Rs.	<b>144,264,362.40</b>	<b>146,486,914.00</b>
<b>17 Cash and cash equivalents</b>		
Balances with banks		
In Current Accounts	456,176.37	3,671,385.73
In EEFC Accounts	167,534.00	79,664.00
In Deposit	70,802,996.92	90,287,502.92
Cash on hand	8,179.45	8,537.95
Total Rs.	<b>71,434,886.74</b>	<b>94,047,090.60</b>
<b>18 Short term Loans and advances</b>		
Unsecured - Considered Good		
Loans and advances	8,345,351.00	7,861,500.00
Rent Deposits	1,275,000.00	190,000.00
Other advances	5,856,848.09	5,093,020.03
Total Rs.	15,477,199.09	13,144,520.03
Less: Provision for doubtful debts		
Total Rs.	<b>15,477,199.09</b>	<b>13,144,520.03</b>
<b>19 F) Other Current assets</b>		
Duty Drawback Receivable	6,823,828.00	6,646,403.00
Vat in put credit receivable	17,732,292.49	10,047,989.70
Total Rs.	24,556,120.49	16,694,392.70
<b>TOTAL CURRENT ASSETS</b>	<b>345,076,345.54</b>	<b>337,656,356.10</b>
<b>TOTAL CURRENT AND NON CURRENT ASSETS</b>	<b>460,689,323.12</b>	<b>360,880,772.42</b>

**EURO LEDER FASHION LIMITED**

	Year ended 31 March 2017	Year ended 31 March 2016
<b>20 Revenue from operations</b>		
SALE OF PRODUCTS		
Export Sales	716,913,052.00	547,379,673.00
Local Sales	6,406,247.00	1,906,626.00
Second Sales	45,843.40	68,915.00
Form H Sales	105,500.00	1,087,465.00
CST SALES	3,299,619.00	
	<b>726,770,261.40</b>	<b>50,442,679.00</b>
<b>OTHER OPERATING REVENUES</b>		
Duty Draw Back received	61,537,241.00	55,926,381.00
Import License Sold	14,618,154.00	11,381,291.00
<b>TOTAL</b>	<b>76,155,395.00</b>	<b>67,307,672.00</b>
<b>TOTAL</b>	<b>802,925,656.40</b>	<b>617,750,351.00</b>
<b>21 Other Income</b>		
<b>INTEREST INCOME</b>		
Interest received (F.D)	4,788,836.00	5,156,976.00
Interest from ICICI Bank	16,451.00	13,719.00
Insurance Claim Received-Factory	3,603,275.00	-
Insurance Claim Received-Vehicle	-	31,522.00
Discount Allowed	36,747.00	
Exchange Difference	17,289,981.36	9,805,454.50
<b>TOTAL</b>	<b>25,735,290.36</b>	<b>15,007,671.50</b>
<b>22 Cost of materials consumed (Ref Note No.27.2,27.3 )</b>		
<b>Materials Consumed- Leathers</b>		
Opening Stock	24,738,592.00	41,639,950.00
Add : Purchases	518,971,004.19	358,416,046.88
	543,709,596.19	400,055,996.88
Less : Closing Stock	27,487,441.00	24,738,592.00
<b>TOTAL</b>	<b>516,222,155.19</b>	<b>375,317,404.88</b>
<b>Materials Consumed- Consumables</b>		
Opening Stock	4,287,661.00	5,004,822.00
Add : Purchases	102,715,864.00	66,887,411.54
	107,003,525.00	71,892,233.54
Less : Closing Stock	5,922,708.00	4,287,661.00
	101,080,817.00	67,604,572.54
Add : Chemical Purchase	6,311,008.21	2,491,448.50
	107,391,825.21	70,096,021.04
<b>TOTAL</b>	<b>623,613,980.40</b>	<b>445,413,425.92</b>
<b>23 Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>		
Increase/ (Decrease) In stock :-		
Opening Stock		
Finished Goods	5,435,450.00	9,325,100.00
Work In Progress	775,000.00	724,000.00
	6,210,450.00	10,049,100.00
Closing Stock		
Finished Goods	9,733,550.00	5,435,450.00
Work In Progress	1,547,500.00	775,000.00
<b>Increase / (Decrease In Stock )</b>	<b>-5,070,600.00</b>	<b>3,838,650.00</b>

**EURO LEDER FASHION LIMITED**

	Year ended 31 March 2017	Year ended 31 March 2016
<b>24 Employee Benefits Expense</b>		
Salaries and incentives		
Directors Remuneration		
Sri. R.M.Lakshmanan      Whole Time Director	990,000.00	440,000.00
HRA To Directors :-		
Sri. R.M.Lakshmanan      Whole Time Director	558,000.00	216,000.00
Salaries & Wages	37,863,804.00	36,192,380.00
Security Charges	245,875.00	363,654.00
<b>TOTAL</b>	<b>39,657,679.00</b>	<b>37,212,034.00</b>
Contributions to		
Contribution to Provident fund	1,589,321.00	1,402,846.00
Contribution to ESIC	266,376.00	243,657.00
Staff welfare expenses	3,232,733.50	1,457,880.00
<b>TOTAL</b>	<b>5,088,430.50</b>	<b>3,104,383.00</b>
<b>GRAND TOTAL</b>	<b>44,746,109.50</b>	<b>40,316,417.00</b>
<b>25 Finance costs</b>		
Interest Paid to Banks	11,414,863.00	9,973,344.75
Bank Charges	3,969,066.35	2,888,931.21
<b>TOTAL</b>	<b>15,383,929.35</b>	<b>12,862,275.96</b>
<b>26 Depreciation and amortization expense</b>		
Depreciation	3,062,597.00	3,665,620.00
	<b>3,062,597.00</b>	<b>3,665,620.00</b>
<b>27 Other expenses</b>		
Rent Paid	10,060,256.00	8,245,408.00
Annul Listing Fees	224,847.00	224,720.00
Agm Expenses	65,219.00	55,507.00
Annual Maintanance Charges	93,175.00	102,458.00
Fees & Taxes	562,493.00	312,001.00
Insurance	369,030.60	451,804.47
Packing Material Consumed	573,899.60	209,239.20
Air Freight & Transport Charges	27,441,778.80	17,006,810.01
Export Agency Commission	15,372,774.00	21,983,122.00
Postage,Telegram & Telephone	1,994,109.56	1,410,176.49
Printing & Stationery	690,994.00	836,683.00
Travelling & Conveyance	1,403,484.00	967,687.00
Travelling & Conveyance ( including overseas)	2,882,114.00	1,699,460.00
Repairs & Maintenance :-		
a. Building	379,836.00	359,113.00
b. Computers	372,783.50	271,681.36
c. Others	1,765,220.00	1,545,874.25
d. Plant & Machinery	2,678,651.17	1,393,891.60
Sitting Fees	38,000.00	48,000.00
Advertisement Charges	48,090.00	29,214.00
Professional Charges	784,939.00	640,093.00
Boarding and lodging expenses	28,484.00	15,668.00
Bad Debts Written Off	56,969.00	
Bonus Paid	3,029,796.00	2,904,657.00

**EURO LEDER FASHION LIMITED**

	<b>Year ended 31 March 2017</b>	<b>Year ended 31 March 2016</b>
Leave Encashments	505,525.00	177,225.00
Donations	28,001.00	-
General Expenses	1,400.00	2,500.00
Service Tax paid	1,644,400.21	378,335.00
ECGC Premium	358,596.00	445,521.00
Vehicle Maintenance	1,753,826.37	1,425,464.00
Forward contract Loss	58,099.00	918,000.00
Export Promotion Expenses	2,783,135.85	344,307.58
Pooja Expenses	171,744.00	119,384.00
Interest paid	2,980.00	6,164.00
FST Charges	2,186.00	49,965.00
Office Maintenance	412,710.50	331,675.00
Books & Periodicals	3,080.00	2,670.00
Entertainment expenses	-	487.35
Loss on sale of assets	329,192.00	777,802.00
Inspection charges	99,250.00	
Rounded off	127.66	78.51
Membership & Subscription	25,000.00	-
Power & Fuel	1,802,119.33	1,548,815.42
Electricity Charges	3,788,686.00	3,330,081.00
Labour Charges	35,035,291.32	43,937,085.90
Leather Processing Charges	4,268,016.26	1,988,575.83
Commission Paid	8,241,779.80	3,766,116.06
Duty Paid-Customs	4,989,818.00	-
Audit Fees ( Ref Note No.27.1)	105,000.00	105,000.00
<b>TOTAL</b>	<b>137,326,907.53</b>	<b>120,368,521.03</b>
<b>27.1 Amount Paid / Payable to Auditors</b>		
Audit Fees	75,000.00	75,000.00
Taxation	25,000.00	25,000.00
Certification fees	5,000.00	5,000.00
<b>TOTAL</b>	<b>105,000.00</b>	<b>105,000.00</b>
<b>27.2 Raw material Consumed</b>		
Leather-8820447 Sq.ft & 5833476 sq.ft	516,222,155.19	375,317,404.88
Other Accessories	107,391,825.21	70,096,021.04
	<b>623,613,980.40</b>	<b>445,413,425.92</b>
<b>27.3 Value of imported/indigeneous material consumed</b>		
Import-Landed Cos-9.13% & 7.47%	56,932,688.00	33,277,749.00
Indigeneous-90.87% & 92.53%	566,681,292.40	412,135,676.92
<b>Total -100%</b>	<b>623,613,980.40</b>	<b>445,413,425.92</b>

**EURO LEDER FASHION LIMITED**  
**Notes forming part of financial statements for the year ended 31st March 2017**  
**NON CURRENT ASSETS**

<b>FIXED ASSETS</b>		<b>Gross Block</b>			<b>Depreciation</b>					<b>Net Block</b>	
<b>Sl. No.</b>	<b>Particulars Tangible Assets</b>	<b>As at 01.04.2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>As at 31.03.2017</b>	<b>Up to 01.04.2016</b>	<b>For the Year</b>	<b>Adjustment</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
1	Plant & Machinery	19,683,468.99	2,931,760.26		22,615,229.94	5,819,809.20	1,194,634.00	-	7,014,443.20	15,600,786.74	13,863,659.79
2	Furniture & Fixtures	4,130,711.19	0.00		4,130,711.25	2,068,086.85	195,949.00	-	2,264,035.85	1,866,675.40	2,062,624.34
3	Motor Car	9,510,548.97	9,156,432.00	906,530.00	17,760,451.28	4,275,059.77	1,632,976.00	452,338.00	5,455,697.77	12,304,753.51	5,235,489.20
4	Computer	1,135,498.50	0.00	-	1,135,499.00	1,012,234.34	39,038.00	-	1,051,272.34	84,226.66	123,264.16
5	Land Purchase		83817158.00	-	83,817,158.00	-	-	-	-	83,817,158.00	-
		34,460,227.64	95,905,350.26	906,530.00	129,459,049.46	13,175,190.16	3,062,597.00	452,338.00	15,785,449.16	113,673,600.30	21,285,037.48
5	Work In Progress	1,939,377.28	0.00	-	1,939,377.28	-	-	-	-	1,939,377.28	1,939,377.28
		1,939,377.28	0.00	-	1,939,377.28	-	-	-	-	1,939,377.28	1,939,377.28
	<b>TOTAL</b>	<b>36,399,604.92</b>	<b>95,905,350.26</b>	<b>906,530.00</b>	<b>131,398,426.74</b>	<b>13,175,190.16</b>	<b>3,062,597.00</b>	<b>452,338.00</b>	<b>15,785,449.16</b>	<b>115,612,977.58</b>	<b>23,224,414.76</b>
	Intangible Assets										
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL</b>	<b>36,399,604.92</b>	<b>95,905,350.26</b>	<b>906,530.00</b>	<b>131,398,426.74</b>	<b>13,175,190.16</b>	<b>3,062,597.00</b>	<b>452,338.00</b>	<b>15,785,449.16</b>	<b>115,612,977.58</b>	<b>23,224,414.76</b>



## EURO LEDER FASHION LIMITED

### 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.co.in](mailto:euro_leder@yahoo.co.in)

### 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) holding of .....shares 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 25<sup>th</sup> Annual general meeting of the company, to be held on Thursday the 21<sup>st</sup> day of September, 2017 at 10.00 A.M. at Mahalaya Residency, No.114, GST Road (Opposite to Areva), Pallavaram, Chennai – 600 043 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions
1	To receive, consider and adopt the audited Balance Sheet of the Company as at 31 <sup>st</sup> March 2017, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, together with the reports of the Auditors and the Directors.
2	To re-appoint Shri. RM Lakshmanan, Whole – Time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint M/s. S. Ramakrishnan Associates, Chartered Accountants, as Statutory Auditors and to fix their remuneration.
4	To re-appoint Smt. Jayamalini, as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years w.e.f. 21.09.2017.

Signed this..... day of September 2017

Signature of shareholder

Signature of Proxy holder(s)

Please affix  
Re. 1  
Revenue  
stamp Here

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.

**INTENTIONALLY KEPT BLANK**

**EURO LEDER FASHION LIMITED**

**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.co.in](mailto:euro_leder@yahoo.co.in)

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

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

\*Applicable for investors holding shares in electronic form

Name and Address of the Shareholder :

I hereby record my presence at the 25<sup>th</sup> Annual general meeting of the Company held on Thursday the 21<sup>st</sup> day of September, 2017 at 10.00 A.M. at Mahalaya Residency, No.114, GST Road (Opposite to Areva) Pallavaram, Chennai – 600 043.

Signature of Shareholder / Proxy

## Printed Matter

If undelivered please return to;

**EURO LEDER FASHION LIMITED,**  
No.99 G.S.T.Road,  
Pallavaram,  
Chennai - 600 043