

## **REPORT ON CORPORATE GOVERNANCE**

### **I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Corporate Governance assumes a great deal of importance in the future business strategies of the Company.

### **II. BOARD OF DIRECTORS**

#### **(A) Composition of Board**

The Present Board of Directors of the Company comprises Four Directors consisting all Non-executive Directors.

#### **(B) Other provisions as to Board and Committee**

The details of the other directorship of the Board and their attendance at the Board meetings held during the year, i.e. between April 1, 2009 to March 31, 2010 is given in the following table:

Name	Category	Board meeting No. Attended during the Year	Attendance at last AGM	No. of Directorship In other Companies \$	of Committee position held** Chairman/ Member
Mr. Sunil Kr. Sharma	Promoter-Non-Executive Director	6	Yes	-	1
Mr. Anil Kumar Sharma	PromoterNon-Executive Director	5	Yes	-	-
Dr. Vishwa Nath	Promoter Non-Executive Director	4	No	-	1
Mr. Bhim Sain Goyal	Non- Executive Independent Director	3	Yes	-	1

\$ Exclusive of the Directorship in Private Limited Companies, Non-Corporate Institutions, foreign Companies and Section 25 Companies.

The Board periodically reviews Compliance reports of all laws applicable to the Company and has put in place procedure to review steps taken by the Company to rectify the instances of non-compliances, if any.

#### **(D) Number of Board Meetings held and dates:**

During the financial year 2009-2010 the Board of Directors met Six (6) times. The dates of the meetings are 30<sup>th</sup> April 2009, 30<sup>th</sup> July 2009, 26<sup>th</sup> August 2009, 4<sup>th</sup> September 2009, 20<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

#### **E) Information supplied to the Board:**

The Board has complete access to all information with the Company. The information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes:

- Business/Operating Plans,
- Quarterly, Half yearly and yearly results of the Company
- Minutes of the Meetings of audit Committees and other Committees of the Board.

The Board periodically reviews compliance of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances if any.

#### **(F) Code of conduct:**

The Board will make code of conduct for all the Board members and senior management personnel in the coming Board Meeting.

### III. AUDIT COMMITTEE:

#### (A) Qualified & Independent Audit Committee:

The Company had re-constituted Audit Committee on 26<sup>th</sup> August, 2009. It is functioning as under:

- (i) At present the committee comprises of three Directors viz Shri Sunil Kumar Sharma and Dr. Vishwa Nath, Non-executive Directors and Shri Bhim Sain Goyal, independent Director.
- (ii) All the members of the committee are financially literate.
- (iii) Shri Sunil Kumar Sharma was appointed as Chairman of the Audit Committee.
- (iv) The term of reference of the committee have been revised in conformity with the provisions of section 292A of the Companies Act 1956 and the new/revised clause 49 of the listing agreement.

#### (B) Meetings of Audit Committee

During the year, five meetings of the Audit Committee were held on 30<sup>th</sup> April 2009, 30<sup>th</sup> July 2009, 4<sup>th</sup> September 2009, 20<sup>th</sup> October 2009 and 30<sup>th</sup> January 2010.

### V. DISCLOSURES

#### (A) Related Party Transaction

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc that may have any potential conflict of interest with the company.

#### (B) Disclosure of Accounting Treatment

During the year, there has been no change in the accounting treatment of Accounting Standard applicable to the Company.

#### (C) Risk Management

In terms of new provision of Clause 49 & contemporary practices of good corporate governance, Company has developed the policies & procedures to assess the risk associated with the Company and minimization thereof and periodically informed the Board of Directors for their review to ensure that the executive management, controls the risk in accordance with the defined policies and procedures adopted by the Company.

#### Remuneration Committee (Non-Mandatory)

The Company is not paying any Remuneration to the Directors.

#### Shareholders'/ Investors' Grievance Committee:

The Board of Directors of the Company has re-constituted a Shareholders'/ Investors' Grievance Committee on 26<sup>th</sup> August 2009. The Shareholders'/ Investors' Grievance Committee presently comprises of two Directors viz Shri Sunil Kumar Sharma, Non-executive Director and Shri Bhim Sain Goyal, Independent Director.

In compliance with the SEBI guidelines the Company has appointed M/s. Skyline Financial Services Pvt. Limited as RTA (Registered Transfer Agent) to look after the share transfer, transmission, transposition, issuance of duplicate share certificate, share de-materialization / re-materialization etc. independently under the supervision and control of the Shareholders'/Investors' Grievance Committee.

### VI. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the stock exchanges where the companies' equity shares are listed in the requisite format and duly signed by the compliance officer.

### VII. COMPLIANCE

The other information for the benefit of the shareholders is as under:

#### (i) General Body Meetings:



## EURO ASIA EXPORTS LIMITED

Details of Location, Date and Time of Annual General Meetings held during last three years are given below:

Particulars	Time	Dated on which held	Venue
28 <sup>th</sup> A.G.M	1.00 P.M	30 <sup>th</sup> September 2009	13, Bela Road, Civil Lines, Delhi- 110 054
27 <sup>th</sup> A.G.M	2.00 P.M	30 <sup>th</sup> September 2008	1202, Akashdeep Building, 26-A, Barakhamba Road, New Delhi-110 001
26 <sup>th</sup> A.G.M	2.00 P.M	28 <sup>th</sup> September 2007	1202, Akashdeep Building, 26-A, Barakhamba Road, New Delhi- 110 001

The Company has passed the following special resolution in the previous Annual General Meeting.

Sl No.	Subject matter of Resolution	Date of AGM
1	Resolution under Section 21	30 <sup>th</sup> , September 2009

### (ii) General shareholder information Annual General Meeting

Day & Date : Thursday, 30<sup>th</sup> September, 2010  
Time : 2.00 P.M.  
Venue : 13 Bela Road, Civil Lines, Delhi - 110054

#### Financial Calendar (Tentative):

- Next Annual General Meeting : Sept 2011
- Unaudited results for the quarter ended June 2010 : End July, 2010
- Unaudited results for the quarter/half year ended September 2010 : End October, 2010
- Unaudited results for the quarter ended December 2010 : End January, 2011
- Un-audited results for the Quarter ended March 2011 : End April, 2011
- Audited Results for the Year ending March 2011 : June/August, 2011

#### Date of Book Closure:

From 29<sup>th</sup> day of September 2010 to 30<sup>th</sup> day of September 2010 (both days inclusive) for the purpose of Annual General Meeting.

#### Dividend Payment date:

The Board of Directors has not recommended any dividend on equity shares for the financial year 2009-10.

#### Name of the Stock Exchanges on which the equity shares of the Company are listed:

Delhi, Mumbai and Jaipur.

#### Market Price Data:

Stock Market Data is not available, since no share of the Company has been traded during the financial year  
Distribution of shareholding as on 31.03.2010

Shareholding of Nominal Value of Rs.	Share holders		No. of Shares	
	Number	% to Total	No.	% to Total
Upto – 500	283	40.84	106700	6.80
501-1000	278	40.12	215300	13.72
1001-2000	63	9.09	97600	6.22
2001-3000	15	2.16	39000	2.49
3001-4000	16	2.31	56800	3.62
4001-5000	13	1.88	59500	3.79
5001-10000	9	1.30	73700	4.70
10001 and above	16	2.31	920200	58.66
<b>Total</b>	<b>693</b>	<b>100.00</b>	<b>1568800</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March 2010:

Shareholders Category	Number of Shares	Percentage
<b>(A) Promoter and Promoter Group</b>		
(1) Indian Promoters:		
– Individual/HUF	611200	38.96
– Bodies Corporate	248000	15.81
(2) Foreign Promoters:	Nil	Nil
<b>Total Shareholding (A)</b>	<b>859200</b>	<b>54.77</b>
<b>(B) Public Shareholding</b>		
(1) Institutions:		
Mutual Funds/UTI	Nil	Nil
(2) Non-Institutions:		
Bodies Corporate	96600	6.16
Individuals	613000	39.07
NRIs/OCBs	Nil	Nil
Sub Total	709600	45.23
<b>Total Shareholding (B)</b>	<b>709600</b>	<b>45.23</b>
<b>Total (A+B)</b>	<b>1568800</b>	<b>100.00</b>

**Registrar & Share Transfer Agents:**

**M/s. Skyline Financial Services Pvt. Ltd**

D-153/A, 1st Floor Okhla Industrial Area Phase-I, New Delhi – 110020

**System of Share Transfer:** The aforementioned RTA has its own infrastructure commensurate with the work undertaken and is manned by skilled and trained staff.

**De-materialisation of shares and liquidity:**

Company's shares are not available in Demat Form.

**Outstanding GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity:**

Not Applicable.

**Date:** 3rd September 2010

**Place:** New Delhi

**Address for correspondence:**

**Registrar**

**M/s. Skyline Financial Services Pvt. Ltd**

D-153/A, 1st Floor Okhla Industrial Area Phase-I, New Delhi – 110020

**Sunil Kumar Sharma**  
Managing Director

**Bhim Sain Goyal**  
Director

**EURO ASIA EXPORTS LIMITED**

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**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **Euro Asia Exports Limited**

We have examined the compliance of conditions of Corporate Governance by **Euro Asia Exports Limited** for the year ended March 31, 2010 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders/Investors Grievance Committee.

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

**For Rajesh Mani & Associates**  
Chartered Accountants

Place : Delhi  
Date : 3rd September, 2010

**Rajesh Kumar**  
Prop