

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, 2010 to March 31, 2011 is given in the following table:

Name	Category meeting Attended during the Year Member	Board at last AGM In other Companies \$ Chairman/	Attendance Directorship position held**	No. of Committee	No. of
Mr. Sunil Kumar Sharma	Promoter-Non-Executive Director	5	Yes	—	2
Mr. Anil Kumar Sharma	Promoter Non-Executive Director	3	Yes	—	—
Dr. Vishwa Nath	Promoter Non-Executive Director	3	No	—	—
Mr. Bhim Sain Goyal	Non- Executive Independent Director	5	Yes	—	2

\$ 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 2010-2011 the Board of Directors met Five (5) times. The dates of the meetings are 30th April 2010, 30th July 2010, 3rd September 2010, 20th October 2010 and 31st January 2011.

(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 6th April, 2011. It is functioning as under:

- (i) At present the committee comprises of three Directors viz Shri Sunil Kumar Sharma, Non-executive Directors and Shri Bhim Sain Goyal and Shri Narinder Kumar Goyal, independent Directors.
- (ii) All the members of the committee are financially literate.
- (iii) Shri Bhim Sain Goyal 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 30th April 2010, 30th July 2010, 3rd September 2010, 20th October 2010 and 31st January 2011.

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 6th April 2011. The Shareholders'/ Investors' Grievance Committee presently comprises of two Directors Shri Bhim Sain Goyal and Shri Narinder Kumar Goyal, Independent Directors.

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:

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
29 th A.G.M	2.00 P.M	30 th September 2010	13, Bela Road, Civil Lines, Delhi- 110 054
28 th A.G.M	1.00 P.M	30 th September 2009	13, Bela Road, Civil Lines, Delhi- 110 054
27 th A.G.M	2.00 P.M	30 th September 2008	1202, Akashdeep Building, 26-A, Barakhamba Road, New Delhi- 110 001

The Company has not passed the following special resolution in the previous Annual General Meeting.

(ii) **General shareholder information**

Annual General Meeting

Day & Date : Friday, 29th July, 2011
 Time : 2.00 P.M.
 Venue : 13 Bela Road, Civil Lines, Delhi - 110054

Financial Calendar (Tentative):

- Next Annual General Meeting : July 2011
- Unaudited results for the quarter ended June 2011 : End July, 2011
- Unaudited results for the quarter/half year ended September 2011 : End October, 2011
- Unaudited results for the quarter ended December 2011 : End January, 2012
- Un-audited results for the Quarter ended March 2012 : End April, 2012
- Audited Results for the Year ending March 2012 : June/August, 2012

Date of Book Closure:

From 28th day of July 2011 to 29th day of July 2011 (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 2010-11.

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 31.03.2011:

Shareholding of nominal Value of Rs.	Share holders		No. of Share	
	Number	% to Total	No.	% to Total
Upto – 500	281	40.32	105700	6.74
501-1000	271	38.88	210000	13.39
1001-2000	71	10.19	110800	7.06
2001-3000	23	3.30	58200	3.71
3001-4000	6	0.86	22800	1.45
4001-5000	13	1.87	59500	3.79
5001-10000	8	1.15	66200	4.22
10001 and above	24	3.44	935600	59.64
Total	697	100.00	1568800	100.00

Shareholding Pattern as on 31st March 2011:

Shareholders Category	Number	% of Shares
(A) Promoter and Promoter Group		
(1) Indian Promoters:		
– Individual/HUF	451400	28.77
– Bodies Corporate	Nil	Nil
(2) Foreign Promoters:	Nil	Nil
Total Shareholding (A)	451400	28.77
(B) Public Shareholding		
(1) Institutions:		
Mutual Funds/UTI	Nil	Nil
(2) Non-Institutions:		
Bodies Corporate	111600	7.11
Individuals	1005800	64.12
NRIs/OCBs	Nil	Nil
Sub Total	1117400	71.23
Total Shareholding (B)	1117400	71.23
Total (A+B)	1568800	100.00

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.

Address for correspondence:**Registrar**

M/s. Skyline Financial Services Pvt. Ltd

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

contact@skylinerta.com

Date : 4th May 2011

Place : New Delhi

Sd/-
Narinder Kumar Goyal
Director

Sd/-
Bhim Sain Goyal
Director

CERTIFIED TRUE COPY
For Euro Asia Exports Limited
Pinky
Company Secretary