

## 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. The Company is taking all initiatives to implement policies at all levels to spur growth.

### II. BOARD OF DIRECTORS

#### (A) Composition of Board

The Present Board of Directors of the Company comprises Three 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, 2012 to March 31, 2013 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*	No. of Committee position held**	
					Chairman	Member
Mr. Sunil Kumar Sharma	Promoter-Non- Executive Director	5	Yes	2	-	-
Mr. Bhim Sain Goyal	Non-Executive Independent Director	5	Yes	3	1	2
Mr. Narinder Kumar Goyal	Non- Executive Independent Director	5	Yes	2	1	1
Mr. Ganesh Prasad Nayak	Non- Executive Independent Director	-	-	-	-	-

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

\*\* Includes Audit Committee and the Shareholders'/Investors' Grievance Committee only.

\*\*\* Narinder Kumar Goyal ceases to be the Director of the Company w.e.f 18.07.2013 & on the same date Ganesh Prasad Nayak was appointed as additional director

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 2012-2013 the Board of Directors met Five (5) times. The dates of the meetings are 09.05.2012, 14.07.2012, 25.08.2012, 29.10.2012, 31.01.2013.

#### (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 Meetings.

### III. AUDIT COMMITTEE:

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

The Company had constituted Audit Committee in compliance of applicable laws. Its functioning is as under:

- (i) At present the committee comprises of three Directors viz Shri Sunil Kumar Sharma, Non-executive Director and Mr. Bhim Sain Goyal non executive director and Mr. Ganesh Prasad Nayak non executive director.
- (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 09.05.2012, 14.07.2012, 25.08.2012, 29.10.2012, 31.01.2013.

**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**

The Company is not paying any Remuneration to the Directors.

**Shareholders'/ Investors' Grievance Committee:**

The Board of Directors of the Company has constituted a Shareholders'/ Investors' Grievance Committee comprises of two Directors Shri Bhim Sain Goyal and Shri Sunil Kumar Sharma, 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
31 <sup>st</sup> A.G.M	2.00 P.M	20 <sup>th</sup> September 2012	405, Skylark Building, 60, Nehru Place, Delhi-110019
30 <sup>th</sup> A.G.M	2.00 P.M	29 <sup>th</sup> July 2011	13, Bela Road, Civil Lines, Delhi-110 054
29 <sup>th</sup> A.G.M	2.00 P.M	30 <sup>th</sup> September 2010	13, Bela Road, Civil Lines, Delhi-110 054

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

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For Euro Asia Exports Limited

*Pinky*  
Company Secretary<sup>9</sup>



## (ii) General shareholder information

**Annual General Meeting**

**Day & Date** : 28th September, 2013  
**Time** : 11.00 AM  
**Venue** : 100/28, Rajapur, Rohini Sector-9, Delhi-110085.

**Financial Calendar (Tentative):**

– Next Annual General Meeting : September 2014  
 – Unaudited results for the quarter ended June 2013 : End July 2013  
 – Unaudited results for the quarter/half year ended September 2013 : End October 2013  
 – Unaudited results for the quarter ended December 2013 : End January 2014  
 – Un-audited results for the Quarter ended March 2014 : End April 2014  
 – Audited Results for the Year ending March 2014 : June/August 2014

**Date of Book Closure:**

From 26<sup>th</sup> day of September 2013 to 28<sup>th</sup> day of September 2013 (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 ended March 31<sup>st</sup>, 2013

**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 31.03.2013:**

Shareholding of Nominal Value of Rs.	Share holders		No. of Shares	
	Number	% to Total	Rs.	% to Total
Upto – 5000	279	40.09	104300	6.65
5001-10000	270	38.79	209400	13.35
10001-20000	72	10.34	112800	7.19
20001-30000	23	3.30	58200	3.71
30001-40000	6	0.86	22800	1.45
40001-50000	13	1.87	59500	3.79
50001-100000	8	1.15	66200	4.22
100001 and above	25	3.59	935600	59.64
<b>Total</b>	<b>696</b>	<b>100.00</b>	<b>1568800</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2013:**

Shareholders Category	Number of Shares	Percentage
<b>(A) Promoter and Promoter Group</b>		
(1) Indian Promoters:		
– Individual/HUF	256400	16.34
– Bodies Corporate	Nil	Nil
(2) Foreign Promoters:	Nil	Nil
Total Shareholding (A)	256400	16.34
<b>(B) Public Shareholding</b>		
(1) Institutions:		
Mutual Funds/UTI	Nil	Nil
(2) Non-Institutions:		
Bodies Corporate	389100	24.80



**Shareholding Pattern as on 31<sup>st</sup> March 2013:**

Shareholders Category	Number of Shares	Percentage
Individuals	923300	58.85
NRI/OCBs	Nil	Nil
<b>Sub Total</b>	<b>1312400</b>	<b>83.66</b>
<b>Total Shareholding (B)</b>	<b>1312400</b>	<b>83.66</b>
<b>Total (A+B)</b>	<b>1568800</b>	<b>100</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. The Company is taking steps for demat of company's shares.**

**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

Sd/-

**Sunil Kumar Sharma**

Managing Director

Date: 05.08 2013

Place: New Delhi

Sd/-

**Bhim Sain Goyal**

Director

**Management Discussion and Analysis****INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES & THREATS**

Indian economy had started taking cues from Global Economy and recently witnessing slowing trends. This has made an impact on GDP growth of India and it is reducing since last couple of years.

The slowdown is leaving its impact on Domestic and International market. But India plays a major role in global apparel markets due to availability of abundant man power, raw material and infrastructural developments.

**OPPORTUNITIES**

The overall assessment of demand and market potential, projected on the basis of past trends and industry expectations, is expected to grow by more than 10%. Domestic consumption of fabric and textile products is increasing due to growing corporate salaries, earning capacity of individuals. India is home to 17% of world population. It is also one of the youngest countries in the world, with over 65% population below the age of 35 years. In India, there are more than 30 crore middle class people with higher disposable income. The number is expected to be doubled in next 2 years, which will bring increasing demand for various consumer products by this segment of population.

**THREATS**

Due to global meltdown, the consumers in the west have reduced their consumption of textile materials. The growing awareness about ecological factors has impacted exports from developing countries due to use of polluting dyes and environment damaging manufacturing practices. The availability of cheap labour in Bangladesh and Vietnam is also contributing to decline in exports of fabrics from India.

The post 2005 trade regime under World Trade Organisation has resulted into the enhanced competition across the globe.