

CONFIDENTIAL

29th ANNUAL REPORT 2009-10

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For Euro Aisa Exports Limited


Director

EURO ASIA EXPORTS LIMITED

EURO ASIA EXPORTS LIMITED

CORPORATE INFORMATION

DIRECTORS

Dr. Vishwa Nath	:	Director
Shri Sunil Kumar Sharma	:	Managing Director
Shri Anil Kumar Sharma	:	Director
Shri Bhim Sain Goyal	:	Director

AUDITORS

M/s. Rajesh Mani & Associates,
Chartered Accountants
Laxmi Nagar, New Delhi -110092

BANKERS

Bank of India

REGISTERED OFFICE

109-B, Pocket-F, Mayur Vihar-II, Delhi-110091

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EURO ASIA EXPORTS LIMITED

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the members of Euro Asia Exports Limited will be held on Thursday, 30th Day of September 2010, at 2.00 PM. at 13, Bela Road, Civil Lines, Delhi – 110054 to transact the following ordinary business: -

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vishwa nath, who retires by rotation and being eligible, offers himself for re-appointment.
3. To Consider and if Thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Rajesh Mani & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at remuneration as may be decided by the Board of Directors of the Company."

By order of the Board of Directors
For **EURO ASIA EXPORTS LIMITED**

BHIM SAIN GOYAL
Director

Place : New Delhi
Date : 3rd September 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th September 2010 to 30th September 2010, both days inclusive.
4. Members are requested to notify the change in their address, if any.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11a.m. and 1.00 p.m. up to the date of this Annual General Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
7. Members are requested to note that all correspondence relating to share transfer should be addressed at the Registered office of the Company.

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING
RE-APPOINTMENT/ APPOINTED DURING THE YEAR
(In pursuance to Clause 49 of the Listing Agreement)**

1. Dr. Vishwa Nath, Director

Date of Birth	15.09.1926
Expertise in Specific Functional Area	Dr. Vishwa Nath is an experienced person in Business matters.
Shareholding in the Company	102200

EURO ASIA EXPORTS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twenty Ninth Annual Report of Euro Asia Exports Limited together with Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2010. The Highlights for the year under review are given below:

Financial Results	(Rs.)	
	2009-10	
Total Income		21
Profit / (Loss) before Interest and Tax,	880,000	93
Interest	1,042	84
Profit / (Loss) before Tax	0	
Provision for Taxation	1,042	840
Profit / (Loss) after Tax	322	86
	720	753

Performance

During the year under review, the company has earned total income of Rs. 880,000/-, which is substantially from the last year income of Rs. 9,36,353/-
The Company is expected to perform better in the coming years.

Dividend

In view of the brought forward losses, your Directors have been unable to recommend any dividend.

Business Operations Overview & Future Outlook

The Company is not pursuing any serious business as of now. It is proposing to start trading in fabric, garments and also exploring the possibilities to revive its export business in big way.

Fixed Deposits

The Company has not accepted any deposits during the financial year under review.

Directors

In terms of the provisions of Companies Act, 1956 and the Articles of Association of the Company, Dr. Vishwa Nat Director of the Company retire by rotation and being eligible, offer himself for re-appointment as non-executive Director.

Directors' Responsibility Statement

- Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:
- that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
 - that the Directors had selected such accounting policies and applied them consistently reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
 - that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
 - that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March 2010 on 'going concern' basis.

Particulars of Energy, Technology and Foreign exchange

- A- Energy conservation – NIL
- B- Technology absorption – NIL
- C- Foreign Exchange earnings and out go: NIL

Personnel and Particulars of Employees

During the year, the Company did not have any employee.

Auditors

M/s Rajesh Mani & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate from them that their re-appointment if made would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

Auditors' Report

The Auditors Report is self explanatory and therefore do not call for any further explanation u/s 217(3) of the Companies Act' 1956.

Audit Committee Recommendations

The Audit Committee of the Company has been constituted with Shri Bhim Sain Goyal, Dr. Visiwanth as Member and Shri Sunil Kumar Sharma as Chairman of the Committee.

Corporate Governance Report

The Company has started compliance of Clause 49 of Listing Agreement. It strives to attain high standards of corporate governance while interacting with all our stakeholders.

A separate section on Corporate Governance alongwith Certificate from M/s. Rajesh Mani & Associate, Chartered Accountants, confirming level of Compliance is annexed and forms part of the Directors' Report.

Appreciation

Your Directors greatly appreciate the efforts of Investors for the support.

For and on Behalf of the Board

Place : New Delhi
Date : 3rd September 2010

Sunil Kumar Sharma
Managing Director

Bhim Sain Goyal
Director

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 30th April 2009, 30th July 2009, 26th August 2009, 4th September 2009, 20th October 2009 and 30th 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 26th 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 30th April 2009, 30th July 2009, 4th September 2009, 20th October 2009 and 30th 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 26th 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 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
26 th A.G.M	2.00 P.M	28 th 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 th , September 2009

(ii) General shareholder information Annual General Meeting

Day & Date	:	Thursday, 30 th 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 uarter 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 29th day of September 2010 to 30th 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
Total	693	100.00	1568800	100.00

Shareholding Pattern as on 31st March 2010:

Shareholders Category	Number of Shares	Percentage
(A) Promoter and Promoter Group		
(1) Indian Promoters:		
– Individual/HUF	611200	38.96
– Bodies Corporate	248000	15.81
(2) Foreign Promoters:	Nil	Nil
Total Shareholding (A)	859200	54.77
(B) Public Shareholding		
(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
Total Shareholding (B)	709600	45.23
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.

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

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

Rajesh Kumar
Prop

Place : Delhi
Date : 3rd September, 2010

Management Discussion and Analysis

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES & THREATS

Indian economy continues to be one of the fastest growing economies in the world. The economic recovery witnessed after the global meltdown last year has been sharper than what was anticipated. This has enhanced confidence about the sound fundamentals of Indian Economy and it is expected to have GDP growth of more than 8% in the current financial year and more than 10% in the next couple of years.

India's domestic apparel market is growing at compounded annual growth rate of 13.6% in past 5 years and it has grown to achieve more than 5.9 billion units. India plays a major role in global apparel markets due to availability of abundant man power, raw material and infrastructural developments. Indian exports in textile sector grew by 11.7% per year in the past 4 years, comprising export of cotton, man-made fibre, silk, wool, jute and other textile materials.

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.

SEGMENTWISE or PRODUCT-WISE PERFORMANCE

Your company mainly operates in single product segment, within domestic market only. After years of closure of business, the management of your company have started trading activity in domestic fabric market. The business is expected to grow in the coming years.

FUTURE OUTLOOK

Tremendous boom in retailing industry is basically due to increase of consumption of household products. Due to significant increase in income levels, the consumption pattern has also changed. The life style of individuals is changing and they are preferring products under premium segment. Despite temporary setback for few months due to global meltdown, Indian economy had recovered faster than expected. The adverse impact of western financial meltdown is not acutely felt due to domestic industry and consumption.

Your company has taken various initiatives for increase of business, product portfolio. Presently, we are doing business in domestic market but we are exploring possibilities of export of our products to the western countries, where we had been doing business about a decade ago. We are also exploring the possibilities of leasing out an industrial unit on enhance our productivity and launching of quality products in the market.

STRENGTHS

Your company was one of the largest export houses to USSR before division of Soviet Union into number of small countries. In the coming years, we plan to start marketing of Indian goods in these countries. We do not foresee any difficulty in pushing the company's merchandise in these markets. We had a customer base in these markets for Indian products. We can leverage our capacities to procure products for these markets and other countries also.

RISK AND CONCERNS

Business is exposed to external and internal risks. Some risks can be predicted and minimised with careful planning and implementing the measures to mitigate them, while some risks cannot be insured against. Your company has been facing many risks including risk to run business due to shortage of working capital. The tight fund situation may

EURO ASIA EXPORTS LIMITED

affect company's plans to enlarge its business activities. Due to tight liquidity position, we are not able to lay hands on talented people in the industry. The management of your company is planning to leverage their personal assets to raise funds for the company, to overcome this risk.

The domestic market is showing inflationary tendencies. To curb inflation, the Reserve Bank of India can tighten its monetary policy, which can affect company financial expenses. Fluctuation in value of foreign currencies can also affect export plans of the company.

HUMAN RESOURCES

The company is taking various initiatives to increase human resources for better productivity. To save on costs, the company is appointing non-experienced staff and taking initiatives for internal training and development of skills. This will help in enhancing their emotional and intellectual engagement with the company.

INTERNAL CONTROL SYSTEM AND ADEQUACIES

Your company had started its business from scratch. To grow it faster, the integrity and ethical behaviour of management and employees at all levels and compliance of the laws and regulations is very essential. The systems are being put in place to ensure adequate internal controls in operations of the company. Apart from statutory audit, your company have adequate in-house internal audit practices.

FORWARD LOOKING STATEMENT

Statements in this report on Management Discussion and Analysis, describing the company's objectives, projections, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future vents. Actual results could, however, differ materially from those expressed or implied. Domestic consumption, price trends, change in government regulations and tax structure can make a difference in company's performance in future.

The company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

CEO and CFO certification pursuant to Clause 49 (V) of The Listing Agreement:

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : 3rd September 2010

Sd/
Sunil Kumar Sharma
Director

For Euro Asia Exports Limited
-Sd/-
Bhim Sain Goyal
Director

AUDITOR'S REPORT

We have audited the attached Balance Sheet of Euro Asia Exports Limited as at March 31, 2010 and annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted audit in accordance with auditing standards generally accepted on India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended by companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4A and 4B of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above:
 - a). We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b). In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account.
 - c). The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account.
 - d). In our opinion, the Balance Sheet and the Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - e). In our opinion and as per the information furnished to us no Director is disqualified from being appointed as a Director under section 274 (1) (g) of the Companies Act 1956;
 - f). In our opinion, and to the best of our information and according to the explanation given to us, the said accounts along with the notes annexed hereto, give the information required by the Companies Act, 1956, in the manner so required; and give a true and fair view:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - (ii) In the case of Profit and Loss Account, of the Profit of the company, for the year ended on that date.

For Rajesh Mani & Associates
Chartered Accountants

Place : Delhi
Date : 3rd September 2010

Rajesh Kumar
Prop

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the Auditors' Report to the Members of Euro Asia Exports Limited (the Company) for the year ended March 31, 2010 we report under Section 227 (4A) that:

- i. a) The Company has maintained proper records including records of past years to show full particulars including quantitative details and situation of fixed assets.
- b) The assets have been physically verified by the management at reasonable intervals during year. No material discrepancies have been found.
- c) Asset disposed off do not affect the going concern.
- ii. a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- b) The procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. a) 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 301 of the Act. A list is enclosed herewith.
- b) Interest and other terms are reasonable
- c) Payment of the principal amount and interest are also regular;
- d) Overdue amount is not more than one Lakh, so question of reasonable steps for recovery/payment of the principal and interest do not arise.
- iv. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- v There is no transactions that need to be entered into a register in pursuance of section 301 of the Act;
- vi The company has not accepted deposits from the public whether the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under where applicable have been complied with.
- vii Company has internal audit system commensurate with its size and nature of its business.
- viii Maintenance of cost records has not been prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Act.
- ix a) The company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund employee's state insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a year of more than six months from the date they became payable, shall be indicated by the auditor.
- b) No dues of Sales Tax/ Income Tax/ Custom Tax/ Wealth Tax/ Excise Duty/Cess have in dispute.
- x Its accumulated losses at the end of the financial year are less than fifty per cent of its net worth and whether it has incurred losses in such financial year and in the financial year immediately preceding such financial year also;
- xi The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- xii The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii The provisions of any special statute applicable to chit fund have been duly complied with.
- xiv The company is not dealing or trading in shares, securities, debentures and other investment.
- xv The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company
- xvi No term loans has been obtained;
- xvii The funds raised on short-terms basis have not been used for long term investment and vice versa.
- xviii The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act
- xix Debenture have not been issued by the company.
- xx No Public Issue has been made.
- xxi No fraud on or by the company has been noticed or reported during the year.

**For Rajesh Mani & Associates
Chartered Accountants**

**Rajesh Kumar
Prop**

Place : Delhi
Date : 3rd September 2010

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE	AS AT		AS AT	
	31.03.2010	(Rs.)	31.03.2009	(Rs.)
I. SOURCES OF FUNDS				
Shareholders' Funds	1	23,803,500.00	23,803,500.00	
Share Capital				
		<u>23,803,500.00</u>	<u>23,803,500.00</u>	
Deferred Tax Liability				
TOTAL		<u>23,803,500.00</u>	<u>23,803,500.00</u>	
II. APPLICATIONS OF FUNDS				
Fixed Assets	2	3,043.00	3,043.00	3,715.00
Current Assets, Loans & Advances (a)	3			
Inventories		1,543,545.00	1,679,545.00	
Sundry Debtors		2,218,725.00	1,518,725.00	
Cash & Bank Balances		267,343.00	139,756.00	
Loans and Advances		725,125.00	4,754,238.00	4,895,342.00
		<u>1,543,545.00</u>	<u>1,679,545.00</u>	
		<u>2,218,725.00</u>	<u>1,518,725.00</u>	
		<u>267,343.00</u>	<u>139,756.00</u>	
		<u>725,125.00</u>	<u>4,754,238.00</u>	<u>4,895,342.00</u>
Less : Current Liabilities & Provisions (b)	4			
Liabilities		35,600.00	91,390.00	
Provisions		322.00	86,528.00	177,918.00
		<u>35,600.00</u>	<u>91,390.00</u>	
		<u>322.00</u>	<u>86,528.00</u>	<u>177,918.00</u>
Net Current Assets (a-b)			<u>4,718,816.00</u>	<u>4,717,424.00</u>
Profit & Loss Account			<u>19,081,641.00</u>	<u>19,082,361.00</u>
TOTAL			<u>23,803,500.00</u>	<u>23,803,500.00</u>

As per our Audit report of even date attached
 For: Rajesh Mani & Associates
 Chartered Accountants

Rajesh Jain
 Proprietor

Place : New Delhi
 Date : 3rd September 2010

For **EURO ASIA EXPORTS LIMITED**

DIRECTOR

DIRECTOR

AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2010

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2010 (Rs.)	31.03.2009 (Rs.)
INCOME			
Sales		880,000	890,000
Other Income		-	46,353
Total		880,000	936,353
EXPENDITURE			
Cost of Goods Sold		136,000	-
Personal Cost	5	84	84
Other Expenses	6	85,115	81,841
Bad Debt W/o		657,087	-
Total		878,286	81,925
PROFIT BEFORE DEPRECIATION (LOSS)		1,714	854,428
Depreciation		672	14,354
PROFIT BEFORE TAX		1,042	840,074
Provision for Taxation :			
- Current Tax		322	86,528
PROFIT AFTER TAX		720	753,546
PROFIT AFTER TAX		720	753,546
Brought Forward Profit/(Loss) From Last year		(19,082,361)	(19,835,907)
BALANCE CARRIED OVER TO BALANCE SHEET		(19,081,641)	(19,082,361)

As per our Audit report of even date attached
For: Rajesh Mani & Associates
Chartered Accountants

For: INTERADS EXPORTS LIMITED

Rajesh Jain
Proprietor

DIRECTOR

DIRECTOR

Place : New Delhi
Dated : 3rd September 2010

EURO ASIA EXPORTS LIMITED

Particulars	As at 31.3. 2010	As at 31.3.2009
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
3500,000 Equity Shares of Rs. 10/- each.	35,000,000	35,000,000
ISSUED, SUBSCRIBED & PAID UP		
859200 Equity shares of Rs 10/- allotted as fully paid to promoters, there friends, relatives & associates	8,592,000	8,592,000
709600 Equity Shares of Rs. 10/- each. fully paid in cash	7,096,000	7096000
Total (1568800 Equity Shares of Rs. 10/- each)	15,688,000	15,688,000
Add:- forfeited shares paid up capital	8,115,500	8,115,500
As per Balance Sheet :	23,803,500	23,803,500

SCHEDULE -2 OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

(Figure in rupees)

Description of Assets	WDV Rates of Dep.	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		Cost As At 01.04.2009	Addition during the year	Sale during the year	Cost As At 31.03.2010	As At 01.04.2009	Adjustment on Sale/ Disposal	During the period	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010
	(%)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Furniture & Fixtures	18.1	82,068	-	-	82,068	78,353	-	672	79,025	3,715	3,043
TOTAL		82,068	-	-	82,068	78,353	-	672	79,025	3,715	3,043

SCHEDULE 3: CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

INVENTORIES

(As taken, valued & certified by management)

Closing stock	1,543,545	1,679,545
SUNDRY DEBTORS		
Sundry Debtors	2,218,725.00	1,518,725
CASH & BANK BALANCES		
Cash in Hand	159,512	120,612
Bank Balance	107,831	19,144
As per Balance Sheet Total :-	267,343	139,756

LOANS & ADVANCES

(Unsecured, Considered Good)

i) Advances recoverable in cash or kind or for value to be received

As per Balance Sheet Total :-	725,125	1,557,316
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SCHEDULE - 4: CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Expenses Payable	35,600	91,390
Other Liabilities		
As per Balance Sheet Total :-	35,600	91,390

Provisions

Provision For Tax	322	86,528
As per Balance Sheet Total :-	322	86,528

SCHEDULE - 5 : PERSONAL COST

Contribution to Provident Fund & Other Funds	84	84
As per Profit & Loss Account Total :-	84	84

SCHEDULE - 6 : OTHER EXPENSES

Audit Fees	11,100	11,000
Printing & Stationery	825	21,390
Filing Fees	8,000	-
Listing Fee	31,000	31,000
Bank Charges	65	65
Professional Charges	2,000	5,000
Office Expenses	32,125	13,386
As per Profit & Loss Account Total :-	85,115	81,841

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES :

The financial statements have been prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant presentational requirements of the Companies Act, 1956. A summary of important accounting policies applied, are set out below.

- 1) **Convention:**
The accounts are prepared under historical cost convention and on going concern basis.
- 2) **Revenue Recognition:**
All Income & Expenses are accounted for on accrual basis.
- 3) **Fixed Assets:**
All the Fixed Assets have been stated at historical cost less accumulated depreciation.
- 4) **Depreciation:**
Depreciation on Fixed Assets has been provided on written down value method at the rates prescribed in schedule XIV of the companies Act, 1956 and depreciation on the assets purchased/ sold during the period has been charged on pro-rata basis.
- 5) **Inventories:**
Inventories are valued at cost or market price whichever is lower.
- 6) **Foreign Exchange Transactions:**
The Company has not dealt with foreign exchange transactions during the year.
- 7) **Income Tax:**
Provision is made for Income Tax on a yearly basis, under the tax payable method, based on the tax liability as computed after taking credit for allowances and exemptions.
- 8) **Retirement Benefits:**
 - a) No Provision for Gratuity has been made as no employee has yet put in the qualifying period of services for entitlement of this benefit.

B) NOTES TO ACCOUNTS

- 1) There is no contingent liability, which is not provided for in the accounts.
- 2) Managerial Remuneration paid/ payable to the Whole Time Directors

	2009-10	2008-09
Salary	Nil	Nil
	(Amount in Rs.)	
3) Amount paid/ payable to Auditors	2010-11	2009-10
	11100.00	11000.00

- a) **Audit Fee**
- 4) In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the know liabilities relating to the year have been provided for.
- 5) Party's balances are subject to confirmation from them.
- 6) Additional information pursuant to the provisions of paragraph 3,4C,4D of Part II of the Schedule VI of the companies Act.1956. - N.A.
- 7) Previous year's figures have been regrouped and/ or rearranged to confirm to those of current year's figures.
- 8) All the figures stated in rupees are rounded off to nearest rupee.

As per our Report of even date
Attached to the Balance Sheet

For RAJESH MANI & ASSOCIATES.
(CHARTERED ACCOUNTANTS)

RAJESH KUMAR
PROP.

M.No. 099979

Place : DELHI

Date : 3rd September 2010

(Director)

For & Behalf of the Board
FOR EURO ASIA EXPORTS LTD.

(Director)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1. Registration Details**

Registration No.	: 012621	State Code	: 055
Balance Sheet Date	: 31-03-2010		

2. Capital Raised during the year (amount in Rs. Thousands)

Public Issue	: 0.00	Rights Issue	: 0.00
Bonus Issue	: 0.00	Private Issue	: 0.00

3. Position of Mobilization and Deployment of Funds (amount in Rs. Thousands)

Total Liabilities	: 23803.50	Total Assets	: 23803.50
Sources of Funds		Reserves & Surplus	: 0.00
Paid Up Capital	: 23803.50	Unsecured Loans	: 0.00
Secured Loans	: 0.00	Investments	: 0.00
Application of Funds		Accumulated Losses	: 19081.64
Net Fixed Assets	: 3.04		
Net Current Assets	: 4718.82		

4. Performance of Company (Amount in Rs. Thousands)

Turnover	: 880.00	Total Expenditure	: 878.96
(Gross Revenue)		Profit After Tax	: 0.72
Profit Before Tax	: 1.04	Dividend Rate %	: 0.00
Earnings Per Share	: 0.00		

5. Generic names of Three Principal products / services of the company (as per monetary terms)

Item code no. (ITC code)	: Not Available
Product Description	: Na

EURO ASIA EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Pursuant to Clause - 32 of the Listing Agreement)

(Rs.in Lacs)

	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITES :	0.01	7.68
Adjustment for:	0.00	0.00
Interest & exchange difference	0.00	0.00
Misc expenditure written off	0.00	0.00
Loss on Sale of Fixed Assets	0.00	0.00
Loss on Investments	0.01	7.68
Operating Profit before working capital changes	0.01	-8.90
Adjustment for:	2.62	-0.76
Trade & Other Receivables	1.42	-0.46
Trade Payables	1.27	0.00
Cash generated from operations	0.00	0.00
Interest paid & exchange difference	0.00	0.00
Cash flow before extra ordinary items	0.00	0.00
Net cash from Operating activities	0.00	0.47
B. Cash Flow from Investing activities	0.00	0.00
Sale of Investments	0.00	0.00
Accumulated depreciation	0.00	0.00
Net cash used in Investing activities	0.00	0.00
C. Cash Flow from Financing activities	0.00	0.00
Repayment of:	0.00	0.00
Unsecured Loans	0.00	0.00
Deferred tax Liability	0.00	0.00
Long Term Borrowings	0.00	0.01
Net Cash used in Financing activities	1.27	1.39
Net Increase in cash & Cash Equivalents (A+B+C)	1.40	1.40
Cash & cash Equivalents (Opening Balance)	2.67	1.40
Cash & cash Equivalents (Closing Balance)		

For and on behalf of the Board

Sunil Kumar Sharma
Managing Director

Bhim Sain Goyal
Director

Place : New Delhi
Date : 3rd September 2010

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of M/S EURO ASIA EXPORTS LIMITED for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date.

For Rajesh Mani & Associates
Chartered Accountants

Rajesh Kumar
Prop

Place : Delhi
Date : 3rd September 2010

EURO ASIA EXPORTS LIMITED

Regd. Office : 109-B, Pocket – F Mayur Vihar –II, Delhi-110091

PROXY FORM

SL No.....

Regd Folio No.....

No. of Shares Held.....

I/weof in The District of.....being a member/members of the above named Company hereby appoint.....of.....in the District of as my proxy to vote for me/us on my/ our behalf at the **29th Annual General of the Company to be held on Thursday, 30th day of September 2010 at 2.00 P.M.** and at any adjournment thereof.

Signed thisday of2010.

Signature

Affix
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed must be deposited with the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting.

EURO ASIA EXPORTS LIMITED

Regd. Office : 109-B, Pocket – F Mayur Vihar –II, Delhi-110091

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the **29th ANNUAL GENERAL MEETING OF EURO ASIA EXPORTS LIMITED at 13 Bela Road, Civil Lines, Delhi - 110054 at 2.00 P.M. on Thursday, 30th day of September 2010.**

Name of the Shareholder:

Signature

Name of Proxy:

Signature

NOTES :-

- Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary. Under no circumstances will any duplicate slip be issued at the entrance to the meeting hall.
- No Gifts/Coupons will be distributed at the meeting.

BOOK POST

If undelivered, please return to:

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