

## **EURO ASIA EXPORTS LTD**

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

[All amounts in Indian Rupees,  
except share data including share  
price, unless otherwise stated]

#### **Note 1 Nature of Operations**

Euro Asia Exports Limited ('the Company') was incorporated at National Capital Territory of Delhi and Haryana on November 10, 1981 to carry on in India or abroad the business of trading and exports in various items.

#### **Note 2 Statements of Significant Accounting Policies:**



##### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2019, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The financial statements have been prepared under the historical cost convention on accrual basis.

##### **2.2 Summary of significant accounting policies**

###### **a) Current Vs Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is: Expected to be realised or intended to be sold or consumed in normal operating cycle

- ▶ Held primarily for the purpose of trading
  - ▶ Expected to be realised within twelve months after the reporting period, or
  - ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- ▶ Expected to be settled in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

#### b) Fair Value Measurements

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

#### c) Property, plant & equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### d) Depreciation on Property, plant & equipment

Depreciation on Property, plant & equipment is provided on written down value method at the rates based on the estimated useful life of the assets.

#### e) Inventories

Inventories are valued at the lower of cost or net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

g) Foreign Currency Transactions

The Company's financial statements are presented in INR, as Company do not have any foreign currency transaction.

h) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Income Taxes

**Current Income Tax:**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred Tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Impairment losses if any, are recognised in the statement of profit and loss.

#### k) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

#### l) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

#### m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Previous year figures are regrouped/rearranged/ reclassified, wherever considered necessary to confirm to the current year presentation.

### **Note 2.3 Related Party**

During the financial year ended March 31, 2020, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the 'ordinary course of business' and 'at arm's length' basis. Company does not have a 'Material Unlisted Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

There has been no materially significant Related Party Transactions during the year under review, having potential conflict with the interest of the Company. Necessary disclosures required under the Ind AS-24 have been made in the Notes to the Financial Statements for the year ended March 31, 2020.

#### Names of related parties

Key Managerial Personnel :

Mr. Rakesh Kumar Singal

Mr. Sunil Kumar Sharma

Mr. Bhim Sain Goyal( Till  
13/11/2019)

Mr. Gagan Goel

Ms. Shweta Gupta

Ms. Nidhi Maheshwari( Till  
23/5/2019)

Ms. Shanu Srivastava

Mr. Ekansh Bansal

Mr. Yogesh

Mr. Mukund Murari

Ms. Navneet Kaur

Mr. Bhupesh Sharma( till  
13/11/2019)

#### Related Party Transactions:

NIL



## Note 2.4 Earnings per Share:

The calculations of earning per share are based on the profit and number of shares as computed below:

Particulars	Period ended March 31, 2020
Net Profit for calculation of basic EPS	(94,499)
Net Profit for calculation of diluted EPS	(94,499)
Weighted average number of equity share in calculating basic EPS	1,568,800
Weighted average number of equity shares in calculating diluted EPS	1,568,800
Basic EPS	-
Diluted EPS	-

## Note 2.5 First time adoption of Ind AS:



The financial statements, for the year ended 31 March 2018, were the first Financial Statement of the Company which was prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2020, together with the comparative period data for the year ended 31 March 2019, as described in the summary of significant accounting policies.

## Note 2.6 Segment Reporting

The operation of the Company is considered as a single segment, hence segment reporting as defined in Ind AS-108 Operating segments, is not applicable.

For and on behalf of Board of Directors of  
**Euro Asia Exports Limited**

**Gagan Goel**  
DIRECTOR  
DIN: 07166489

**Rakesh Kumar Singal**  
Director  
DIN : 06535196

**Shanu Srivastava**  
(Company Secretary)

**Ekansh Bansal**  
(Chief Financial Officer)

**EURO ASIA EXPORTS LIMITED****NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2020****NOTE-3 Property, Plant and Equipment**

PARTICULARS	WDV Rate of Depreciation	GROSS BLOCK		DEPRECIATION			NET BLOCK	
		Balance as on 01.04.2019	Balance as on 31.03.2020	Balance as on 01.04.2019	For the Year	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
Furniture and Fixtures	18.10%	82,068	82,068	82,068	-	82,068	-	-
<b>TOTAL (Rs.)</b>		82,068	82,068	82,068	-	82,068	-	-
<b>PREVIOUS YEAR (Rs.)</b>		82,068	82,068	80,699	1,369	82,068	-	-

As per our Report of Even Date

For and on behalf of Board of Directors of  
**Euro Asia Exports Limited**

**For A Sachdev & Co.**  
**Chartered Accountants**  
Firm Regn. No. 01307C

**B K Aggarwal**  
**Partner**  
M.No. 090771  
**Date: 18.08.2020**  
**Place: New Delhi**

**Gagan Goel**  
DIRECTOR  
DIN: 07166489

**Rakesh Kumar Singal**  
DIRECTOR  
DIN: 06595136

**Shanu Srivastava**  
Company Secretary

**Ekansh Bansal**  
Chief Financial Officer

<b>EURO ASIA EXPORTS LTD</b>		
<b>NOTES TO BALANCE SHEET AS AT 31ST MARCH,2020</b>		
	As At	As At
	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b><u>NOTE - 4 TRADE RECEIVABLES</u></b>		
-		
Trade Receivables Outstanding for a period less than		
Six months from the date they are due for payment		
Unsecured , Considered goods	15,947,144	27,017,583
Trade Receivables outstanding for a period more than		
Six months from the date they are due for payment		
Unsecured , Considered goods	-	3,948,881
<b>Total</b>	<b>15,947,144</b>	<b>30,966,464</b>
<b><u>NOTE - 5 CASH AND CASH EQUIVALENTS</u></b>		
-		
a. Balance with Banks-HDFC Bank	52,876	213,417
b. Cash on hand	8,524	8,524
b. Cheques in hand	-	4,500,000
<b>Total</b>	<b>61,399</b>	<b>4,721,940</b>
<b><u>NOTE - 6 OTHER CURRENT ASSETS</u></b>		
-		
<b><u>Other Current Assests</u></b>		
TDS Receivable A.Y. 2019-20	113,610	158,400
TDS Receivable A.Y. 2020-21	158,400	-
GST Input	82,201	
Income Tax Refundable AY-2017-18	4,760	4,760
Securities Deposits-Rent		360,000



	360,000	
<b>Total</b>	718,971	523,160
<b>Misc Expenses:</b>		
Preliminary Expenses	2,410,875	2,410,875
	2,410,875	2,410,875
<b>Total</b>	<b>3,129,846</b>	<b>2,934,035</b>
<b>Gagan Goel</b>	<b>Rakesh Kumar Singal</b>	
DIRECTOR	DIRECTOR	
DIN: 07166489	DIN: 06595136	
<b>Shanu Srivastava</b>	<b>Ekansh Bansal</b>	
Company Secretary	Chief Financial Officer	

**EURO ASIA EXPORTS LTD**  
**NOTES TO BALANCE SHEET AS AT 31ST MARCH,2020**

<b>NOTE. 7 SHARE CAPITAL</b>	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>				
Equity Shares of Rs. 10 each	3,500,000	35,000,000	3,500,000	35,000,000
<b>Issued</b>				
Equity Shares of Rs. 10 each	1,568,800	15,688,000	1,568,800	15,688,000
<b>Subscribed and Paid up</b>				
Equity Shares of Rs. 10 each	1,568,800	15,688,000	1,568,800	15,688,000
Forfieted Shares	-	8,115,500	-	8,115,500
	1,568,800	23,803,500	1,568,800	23,803,500

**Reconciliation of No. of Shares outstanding as at 31.03.2020**

<b>Particulars</b>	<b>Equity Shares</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>
Shares Outstanding at the Begining of the Year	1,568,800	15,688,000
Shares Issued during the Year	-	-
Shares Bought Back during the Year	-	-
Shares Outstanding at the End of the Year	<u>1,568,800</u>	<u>15,688,000</u>

**Details of Share Holders Holding more than 5% Shares**

<b>Name of Shareholders</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>

	No of Shares	%	No of Shares	%
Sunil K Sharma	188,900	12.04	188,900	12.04
Multiplex Fincap Limited	195,000	12.43	195,000	12.43
Praveen Aggrawal (HUF)	168,500	10.74	168,500	10.74

**Gagan Goel**  
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Chief Financial Officer



**EURO ASIA EXPORTS LTD****NOTES TO BALANCE SHEET AS AT 31ST MARCH,2020**

	As At 31.03.2020 Amount (Rs.)	As At 31.03.2019 Amount (Rs.)
<b><u>NOTE -8 Other Equity</u></b>		
<b><u>Surplus</u></b>		
Opening Balance	(19,500,906)	(19,617,255)
(+) Net Profit / (Net loss) For the current year	(94,499)	117,718
<b>Closing Balance</b>	<b>(19,595,405)</b>	<b>(19,500,906)</b>
<b><u>NOTE - 9 SHORT TERM BORROWING</u></b>		
<b>Unsecured Loan</b>		
Multiplex Enliven	2,390,000	
Multiplex Fincap Limited	4,031,573	4,031,573
<b>Total</b>	<b>6,421,573</b>	<b>4,031,573</b>
<b><u>NOTE - 10 TRADE PAYABLE</u></b>		
Trade Payables to Related Parties		-
Trade Payables to Others	8,261,618	30,046,092
<b>Total</b>	<b>8,261,618</b>	<b>30,046,092</b>
<b><u>NOTE - 11 OTHER CURRENT LIABILITIES</u></b>		
Audit Fee Payable		60,000
Expenses Payable		30,250
Statutory Dues Payable	22,961	107,140
	<b>22,961</b>	<b>197,390</b>
<b><u>NOTE - 12 SHORT TERM PROVISIONS</u></b>		
Provision for Tax	-	44,790
Provision for audit fee		

	55,000	
Provision for expenses	169,142	
<b>Total</b>	<b>224,142</b>	<b>44,790</b>

**Gagan Goel**  
DIRECTOR  
DIN:  
07166489

**Rakesh Kumar Singal**  
DIRECTOR  
DIN: 06595136

**Shanu Srivastava**  
Company Secretary

**Ekansh Bansal**  
Chief Financial Officer



**EURO ASIA EXPORTS LTD****NOTES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH,2020**

	As At 31.03.2020 Amount (Rs.)	As At 31.03.2019 Amount (Rs.)
<b><u>NOTE - 13 REVENUE FROM OPERATION</u></b>		
Sales-Goods	8,109,333	40,180,458
Sales-Services		1,584,000
<b>Total</b>	<b>8,109,333</b>	<b>41,764,458</b>
<b><u>NOTE - 14 OTHER INCOME</u></b>		
Interest on Income Tax Refund	-	2,000
Interest Received	1,494,833	-
Rent received	1,584,000	-
Other Non operating or Misc. Income	66,765	77,525
<b>Total</b>	<b>3,145,597</b>	<b>79,525</b>
<b><u>NOTE - 15 OPERATING EXPENSES</u></b>		
Purchases	7,918,036	37,420,862
<b>Total</b>	<b>7,918,036</b>	<b>37,420,862</b>
<b><u>NOTE - 16 Change In Inventories</u></b>		
Inventories at the end of the year		-
Inventories at beginning of the year		-
<b>(Increase)/ Decrease in Inventories</b>	<b>-</b>	<b>-</b>

**NOTE - 17 EMPLOYEE BENEFIT EXPENSES**

Salaries and incentives	654,914	352,000
Staff Welfare		-
<b>Total</b>	<b>654,914</b>	<b>352,000</b>

**Gagan Goel**  
DIRECTOR

DIN: 07166489

**Rakesh  
Kumar  
Singal**  
DIRECTOR  
DIN:  
06595136

 **Value  
Research**  
Shanu Srivastava  
Company Secretary

**Ekansh  
Bansal**  
Chief  
Financial  
Officer

**NOTE - 18 OTHER EXPENSES**

Advertisement	18522	98,695
Accounting Charges	0	60,000
Meeting Expenses	46779	40,000
Payment to Auditors		
- Statutory Audit fee	40000	50,000
- Tax Audit Audit fee	15000	10,000
Bank Charges	354	767
Brokerage & Commission Charges		-
CDSL Fee	9000	19,000
Conveyance Exp.		

		1,220
Electricity Expenses		141,674
Freight Inward		556,648
Freight Outward	107870.4	208,546
Interest on income Tax & Other Demand	563	1,765
Job work charges		-
Listing Fee	300000	256,787
Legal & Professional Exp.	172305	264,438
Office Expenses		33,097
Office Rent	1980000	2,040,000
Postage & Courier	1288	79,566
Printing and Stationery	10080	11,961
ROC ,GST & Other fees	48426.55	7,700
Telephone Exp.	4351	17,082
Website Maintenance	21240	-
<b>Total</b>	<b>2,775,779</b>	<b>3,898,945</b>



**Significant Accounting Policies**

Notes on Financial Statements

1 to 2

As per our Report of Even Date

For and on behalf of Board of Directors of  
**Euro Asia Exports Limited**

**For A Sachdev & Co**

**Chartered Accountants**

Firm Regn. No. 001307C

**B K Aggarwal**

**Partner**

M.No. 090771

**Gagan Goel**

**DIRECTOR**

DIN: 07166489

**Rakesh Kumar Singal**

**DIRECTOR**

DIN: 06595136

**Shanu Srivastava**

**Ekansh Bansal**



Date: 18.08.2020  
Place: New Delhi

Company Secretary

Chief Financial Officer

