

*10th
Annual Report
1998-99*

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EURO-GOLD JEWELLERY LIMITED



BOARD OF DIRECTORS

Shri Ashok Kumar Maheshwari
Shri Ashvarya Kumar Maheshwari
Shri Kailash Saboo
Shri Madanlal Lakhota
Shri Rakesh Kumar Agarwal

Chairman
Managing Director
Whole-time Director
Director
Additional Director

AUDITORS

M/s. Krishan K. Gupta & Company
Chartered Accountants
1/3, 10196, Jhandewalan
New Delhi 110055

BANKERS

Central Bank of India
Bank of Baroda

REGISTERED OFFICE

UG-II, 237, Sant Nagar
East of Kailash,
New Delhi-110065

WORKS

JC-10-11, Jewellery Complex
N.E.P.Z, Noida Phase-II
Dist.- Gautam Budh Nagar, U.P.

MARKETING OFFICE

912-A, Prasad Chambers,
Opera House,
Bombay-400004

EURO-GOLD JEWELLERY LIMITED

NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Members of the company will be held at the Country Club (Saket Club, New Delhi), 181/2, Sainik Farms, New Delhi-110062 on Wednesday, the 29th September, 1999 at 9.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 1999 and the Profit & Loss Account for the year ended on the date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Kumar Maheshwari who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"Resolved that the consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge by the Board of Directors of the Company, by way of

(i) Exclusive charge on all stocks of raw material, stores and spares semi-finished and finished goods created out of the limited and :

2. First charge on all movable including plant and machinery, spares, equipments, computers, tools and accessories both present and future of the Company in favour of the Small Industries Development Bank of India (SIDBI) to secure US\$ 1,74,500 (equivalent to Rs. seventy five lakh) under PCFC limit and US\$ 2,32,500 (equivalent to Rs. one hundred lakh) under EBF limit together with interest, additional interest, costs, charges, expenses and all other moneys payable by the Company to SIDBI on the terms and conditions contained in the Letter of Intent dated 6-10-98 duly accepted by the Company in respect of the said loan.

Resolved further that the Board of Directors of the Company be and is hereby authorised to finalise with SIDBI the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution"

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"Resolved that Shri Rakesh Kumar Agarwal, who was co-opted by the Board as an Additional Director of the Company, w.e.f. 22nd February, 1999 and who ceases to hold office under Section of 260 of the Companies Act, 1956 and in respect of him the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company"



NOTES

1. The Explanatory Statement to Section 173(2) enclosed and form a part of this letter.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED, AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 22nd September, 1999 to Wednesday, 29th September, 1999 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.

For and on behalf of the Board

Place : New Delhi
Date : 2nd Sept., 1999

(KAILASH SABOO)
WHOLE-TIME DIRECTOR



EURO-GOLD JEWELLERY LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

The Company has approached Small Industries Development Bank of India (SIDBI) for financial assistance to the extent of US\$ 1,74,000 (equivalent to Rs. seventy five lakh) under PCFC scheme and US\$ 2,32,500 (equivalent to Rs. One hundred lakh) under EBF scheme.

The financial assistance from SIDBI has to be secured by mortgage/charge of all the immovable and movable properties of the Company, present and future pertaining to the above project.

Section 293(1) (a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company, owns more than one undertaking of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of SIDBI may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section, 293(1) (a) of the Companies Act, 1956 before creation of the said mortgage/charge.

Copy of the Letter of Intent dated October, 06, 1998 received from SIDBI and copies of the relevant documents/correspondence between the Company and SIDBI are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of meeting.

None of the Directors of the Company is interested in the resolution.

ITEM NO. 5

Shri Rakesh Agarwal was co-opted as an Additional Director of the Company on 22nd February, 1999 by the Board of Directors. As per the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of this Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 has been received alongwith a refundable deposit of Rs. 500/- intending to propose his name for appointment as a regular Director of the Company at this Annual General Meeting.

None of the Directors of the Company is interested in the resolution.

For and on behalf of the Board

Place : New Delhi
Date : 2nd Sept., 1999

(KAILASH SABOO)
WHOLE-TIME DIRECTOR



DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in placing before you the 10th Annual Report on the working results of the Company together with the Audited Statement of Accounts for the year ended 31st March, 1999.

1. PERFORMANCE

	YEAR ENDED 31ST MARCH '99	(Rs. in lakhs) YEAR ENDED 31ST MARCH '98
Profit before depreciation & Taxes	(—) 10.56	8.92
Deducting therefrom Depreciation of	6.70	6.62
Profit Before tax	(—) 17.26	2.30
Deducting therefrom taxes of	0.11	—
	<hr/>	<hr/>
Profit after tax	(—) 17.37	2.30
Balances brought forward from		
Previous year	29.97	27.67
	<hr/>	<hr/>
Amount available for appropriations	12.60	29.97
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2. OPERATIONS

The operations of the Company did not bring any improvement during the year under review as demand of jewellery in international and domestic market did not improve. The Company produced 34.541 Kgs. (previous year 69.909 Kgs.) jewellery during the year. Efforts are being made to explore local market alongwith exploring international market to improve the turnover of the Company.

3. FUTURE PLANS

Study cum exploration tours of European countries have been conducted with the idea to explore the new markets for Company's product. Your Directors are very hopeful to get positive results of this exploration in near future.

EURO-GOLD JEWELLERY LIMITED

4. EXPORTS

Constant efforts are being made to increase the export of the Company to existing markets viz. Europe, America and Middle East. New markets are also being explored.

An export of Rs. 239.03 lacs (previous year 387.27 lacs) has been made during the year under review to various countries and your Directors are confident to increase it in the future.

5. DIRECTORS

Shri Ashok Kumar Maheshwari, Director retires from the Board by rotation at the 10th Annual General Meeting and being eligible, offers himself for re-appointment.

6. PARTICULARS OF EMPLOYEES & DISCLOSURE OF INFORMATION

Information as per Sub-Section (2A) of Section 217 of the Companies Act, 1956 may be treated as nil, as Company has no employee falling in this category.

7. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R & D CELL AND FOREIGN EXCHANGE EARNING & OUTGO.

The details required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed to this report as Annexure-I

8. AUDITORS

M/s. Krishan K. Gupta & Company, the Auditors of your Company retire at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors until the conclusion of next Annual General Meeting and fix their remuneration.

9. INSURANCE

The Company has adequately insured all its properties including Plant and Machinery, Building and Stocks.

10. INDUSTRIAL RELATIONS

The Company's relations with its employees remained cordial throughout the year.

The Company has taken adequate steps for the health and safety of its employees, as required under the U.P. Factories Rules.