

16th
Annual Report
2004-2005



EURO - GOLD
EURO-GOLD JEWELLERY LIMITED



ENRO - GOLD

BOARD OF DIRECTORS

Shri Ashok Kumar Maheshwari
Shri Ashvarya Kumar Maheshwari
Shri Rakesh Kumar Agarwal
Shri Arvind Sharda
Shri R.S.Verma

Chairman
Managing Director
Director
Director
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

71A, GF, Sant Nagar
East of Kailash,
New Delhi 110065

MARKETING OFFICE

444, Pancharatna,
Opera House,
Mumbai 400004

REGISTRAR & TRANSFER AGENT

Alankit Assignments Limited
205-208, Anarkali Market,
Jhandewalan Extension,
New Delhi - 110 055



NOTICE

Notice is hereby given that 16th Annual General Meeting of the members of the Company will be held at Saket Cultural Club, New Delhi-110017 on Friday, the 30th Day of September, 2005 at 11.00 AM to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance Sheet as on 31st March, 2005 and the profit & Loss Account for the year ended on the date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rakesh Aggrawal, who retires by rotation, and being eligible, offers himself for reappointment.
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 approve the voluntary delisting of shares of the company from Calcutta and Delhi Stock Exchange To consider and, if thought fit, to pass, with or without modification, the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provision of the Securities & Exchange Board of India(Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Security Contract and Regulation Act, 1956, Listing Agreement, Central Listing Authority and any other such consent, approval and any directions or modifications as may be issued by any regulatory authorities, the consent of the members of the Company be and is hereby granted for voluntary delisting of equity shares of R. 10/- each from the Delhi Stock Exchange and Calcutta Stock Exchange to the Board of Directors of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to accept any terms and conditions as may be impose by the Stock Exchange , Central Listing Authority, SEBI or any regulating authorities and to settle all the questions and matter arising out of and incidental to the proposed voluntary delisting of the equity shares of the Company from the abovesaid Stock Exchanges and to take all necessary steps including execution of all writings, which the Board , in its absolute and to take all necessary, proper or expedient for giving effect to the above said resolution.

5. To authorize the Board of Directors to sell or otherwise disposed off the undertaking i.e. factory situated at JC-10-11, NSEZ, Noida, U.P..

To consider and, if thought fit, to pass, with or without modification, the following resolutions as Ordinary Resolution:

"RESOLVED that in compliance with the provisions of the Section 293(1)(a) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for sale or otherwise dispose of the factory owned by the Company at JC-10 & 11, NSEZ Noida, Distt. Gautam Budh Nagar, U. P., on the terms and conditions as the Board may think expedient in the interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do and execute all such acts, deeds, matters and things as may be necessary to implement the aforesaid resolution."

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need be a member of the Company.

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2. 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.
3. The register of member and share transfer books of the Company will remain closed from 24th September, 2005 to 30th September, 2005(both days inclusive)
4. Member 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 meeting so that the information required may be made available at the meeting.
5. No gifts cash payment will be made to the Shareholders/ proxies for attending the meeting.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 31st August, 2005

(A. K. Maheshwari)
Managing Director

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY ON THE 30TH SEPTEMBER 2005 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4.

The Company's equity shares are enlisted with Mumbai Delhi and Calcutta Stock Exchange. However there is no trading in the shares of the Company at Delhi and Calcutta Stock Exchange and as such no member of the company is benefited from the same.

In terms of the SEBI (Delisting of Securities) Guidelines, 2003, announced by the SEBI, now the companies have been permitted for voluntary delisting of shares, including from regional Stock Exchanges, subject to the Compliance of the 4 terms and conditions of the said guidelines. The Board considered that the BSE is having nationwide trading terminals and the investors have access to trade and deal in the Company's across the Country.

Therefore the Board in its meeting held on 29-4-2004 decided to delist the shares from the Delhi & Calcutta Stock Exchange.

Your Directors recommend to pass the said resolution as special resolution as set out in Item no. 1 of the notice for voluntary delisting of the shares of the Company from the said stock Exchange.

None of the director is interested.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY ON THE 30TH SEPTEMBER 2005 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5.

Presently the Company as a factory at NSEZ NOIDA, Gautam Budh Nagar, U.P., . The said factory is constructed by our Company on a lease hold land provided by the NSEZ, Gautam Budh Nagar, U.P. Since 2001 your Company stopped the operation of the factory due to non availability of the export order and however the company is incurring the fixed costs associated with it since then. The Board of director are of the view that in order to cut the fixed cost that is being incurred by the Company against maintenance of the factory, it is profitable to sell/lease the factory.

It is therefore being put before yourselves for necessary approval, so that Board may sell the said property at the best negotiated price.

Your Directors recommend to pass the said resolution as special resolution as set out in Item no. 1 of the notice for voluntary delisting of the shares of the Company from the said stock Exchange.

None of the director is interested.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 31st August, 2005

(A. K. Maheshwari)
Managing Director



DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in placing before you the 15th Annual Report on the working results of the Company together with the audited statement of the Accounts for the year ended 31st march, 2005.

1. FINANCIAL RESULTS	(Rs. in lakhs)	(Rs. in lakhs)
	YEARENDED 31ST MARCH'05	YEARENDED 31ST MARCH'04
Turn Over	17.04	24.66
Profit/(Loss) for the year	(8.99)	(22.62)

2. OPERATIONS AND FUTURE PROSPECTS

Due o non availability of the export orders the operations at the factory at NSEZ NOIDA remained suspended during the year. In order to generate the business the Directors has decided to increase in local sale and also proposed to shift the factory from the NSEZ NOIDA, as the Company is incurring the fixed expenses (Lease Charges) at the Factory, without generating income from it.

3. DIVIDEND

Due to losses to the Company no dividend is admissible in this year.

4. DIRECTORS

Shri Rakesh Aggrawal , Director of the Company, who retires from the Board by rotation at the 16th Annual general Meeting and being eligible, offers himself for reappointment.

5. 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 the Company has no employee falling in this category.

1. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, Directors state that;

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2005 and of the Profit of the Company for that period;
- iii. proper and sufficient care has been taken 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 for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern.

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

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

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3. AUDITORS AND NOTES ON ACCOUNTS

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.

The notes on accounts referred to the Auditors Report are self explanatory and therefore do not call for any further comments.

4. EMPLOYEES

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

5. STOCK EXCHANGE LISTING

Equity Shares of your Company are listed with Delhi and Mumbai Stock Exchange. However the Company has decided to delist the Company from Delhi & Calcutta and the same is placed for your approval.

6. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the requirement of the Corporate Governance as prescribed under the listing agreement with the Stock Exchange. A separate report on corporate governance along with the report on Management Discussion and Analysis is enclosed as part of the Annual Report. Your Committed to improve the quality of Corporate governance where the focus is on creating value shareholders.

7. APPRECIATION

Your Directors thank the Central Bank of India, Bank of Baroda, Metal & Minerals Trading Limited., NSEZ Authority, UP Export Corporation Ltd., Semi Government Authorities. Your directors also wish to place on record the appreciation of the sustained efforts, cooperation and assistance of all employees and workers of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 31st August, 2005

(A. K. Maheshwari)
Managing Director

ANNEXURE I

INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPOSRT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

i. Energy conservation measures taken

Since the production during the year remain suspended no electricity was consumed for the purpose of production.

ii. Additional investments and proposals being implemented for reduction of consumption of energy. N.A.

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iii. Impact of the measures at (a) and (b) above

NIL

iv. total energy consumption and energy consumption per unit of production as per prescribed Form 'A' of the Annexure

NOT APPLICABLE TO THE COMPANY

B. TECHNOLOGY ABSORPTION**FORM B**

e. (form for disclosure of particulars with respect of absorption)

RESEARCH & DEVELOPMENT

1. Specified areas in which R & D carried out by the Company

None

2. Benefit derived as a result of the R & D

NIL

3. Future Plan of action

None

4.

Expenditure on R & D

Current Year

Previous Year

Capital

Nil

Nil

Recurring

Nil

Nil

Total

Nil

Nil

Total R & D Expenditure as a % of total Turnover

Nil

Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a. Efforts, in brief made towards Technology absorption, adaptation and innovation

Nil

b. Benefit derived as a result of above (1)

Nil

c. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a. Technology imported

Nil

b. year of import

Nil

c. has technology been fully absorbed

Nil

d. if not absorbed, areas where this has not taken place, reasons

therefore and future plans of action.

Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO

e. activities relating to export, initiatives taken to increase export, development of new export markets for products and services, and export plans.

No Activities

f. Total Foreign Exchange used and earned

Current Year

Previous Year

Total Foreign Exchange used

Nil

Nil

Total Foreign Exchanged Earned

Nil

Nil

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REPORT ON CORPORATE GOVERNANCE

Pursuant to the Clause 49 of the Listing Agreement, a report on Corporate governance is given below:

A. **MANADATORY REQUIREMENTS**

1. **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company believes in and practices good corporate governance. The Company's philosophy is aimed at assisting the management of the Company in efficient conduct of the business and in meeting its obligations to all its stakeholders.

2. **BOARD OF DIRECTORS (As on 31.3.2005)**

The Board of Directors comprises of two Promoter Executive Directors and three independent Non Executive Directors.

During the financial year under review Six Board Meeting were held on 28th DAY OF JANUARY, 2005, 16th DAY OF NOVEMBER 2004, 25th DAY OF OCTOBER, 2004, 25th DAY OF AUGUST, 2004, 29TH DAY OF JULY, 2004, 29TH DAY OF APRIL, 2004. attendance of each director at the Board Meeting is as follows;

Name of Director	Category of Directorship	No. of Board Meetings	Attendance at last AGM held on 27.09.04	No. of other Companies in which Director	No. of Committees (other than Euro Gold Jewellery Ltd. in Which Member
Mr. Ashok Kumar Maheshwari	E.D. Promoter	5	Yes	Nil	Nil
Mr. Ashvarya Kumar Maheshwari	E.D. Promoter	6	Yes	Nil	Nil
Mr. Rakesh Kumar	Independent Director	4	Yes	Nil	Nil
Mr. Arvind Sharda	Independent Director	5	No	Nil	Nil
Mr. R. S. Verma	Independent Director	3	Yes	Nil	Nil

3. **AUDIT COMMITTEE**

Date of appointment: 7 march, 2003

Name of Member of Audit Committee	Category of Directorship	No. of Meetings
Ashok Kumar Maheshwari	E. D. Promoter/Chairman	4
Mr. Rakesh Kumar	Independent Director	4
Mr. R. S. Verma	Independent Director	3

4. **REMUNERATION COMMITTEE**

The Company has not formed any remuneration committee.

REMUNERATION OF DIRECTORS: The Company is not paying any remuneration to its directors.

SITTING FEE: No sitting fee is being paid to the NED for attending the Board/Committee meeting.