

19th
Annual Report
2007-2008



EURO-GOLD JEWELLERY LIMITED



EURO-GOLD JEWELLERY LIMITED

BOARD OF DIRECTORS

Mr. Ashok Kumar Maheshwari
 Mr. Ashvarya Kumar Maheshwari
 Mr. Rakesh Kumar Agarwal
 Mr. Vimal Jain
 Mr. Rajbir Singh Makhni
 Mr. Mahabir Parshad Gupta

Chairman
 Managing Director
 Director
 Director
 Director
 Director

AUDITORS

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

BANKERS

Central Bank of India
 Vijaya Bank
 Bank of Baroda

REGISTERED OFFICE

165-166, DDA Office Complex,
 Jhandewalan Extn, New Delhi – 110055

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EURO-GOLD JEWELLERY LIMITED

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting (AGM) of the members of Euro Gold Jewellery Limited will be held on Monday, the 18th Day of August, 2008, at 10:00 A.M at 2E/16, Jhandewalan Extn, New Delhi-110055 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2008, Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Maheshwari who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint auditors from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration as may be decided by the Board.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification (s), the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT Mr. Rajbir Singh Makhni who was appointed as an Additional Director in the meeting of Board of Director of the Company held on 1st May, 2008 and who holds office upto the date of this Annual General Meeting, and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from one of the members, signifying his intention to propose Mr. Rajbir Singh Makhni as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider, and if thought fit, to pass with or without modification (s), the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT Mr. Mahabir Parshad Gupta, who was appointed as an Additional Director in the meeting of Board of Director of the Company held on 1st May, 2008 and who holds office upto the date of this Annual General Meeting, and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received from one of the members, signifying his intention to propose Mr. Mahabir Parshad Gupta as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION.
"RESOLVED THAT in accordance with the provisions of Section 78, 100 and other applicable provisions, if any, of the Companies Act, 1956, enabling provisions in the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed, subject to confirmation of the Jurisdictional High Court/Tribunal, and other concerned authorities, if any, and such other approvals, permissions, sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforesaid authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorized committee thereof), the consent of the Company be and is hereby accorded to the Board for reduction (De-rating) of Equity Shares by 98% of the Existing Equity Share Capital, the Share Forfeiture Account and Share Premium Account to the following extent to write-off the accumulated losses of Rs. 3,87,67,458:

Out of Paid Up Share capital	Rs. 2,63,15,940
Out of Share Forfeiture Account	Rs. 41,57,300
Out of Share Premium A/c	Rs. 82,94,218
Total	Rs. 3,87,67,458

and the manner of reduction shall be such that :

- a) Pursuant to the reduction the par value (Rs.10/-) of the paid up Equity Shares of Company as are issued and outstanding, on the Record Date, shall be reorganized. The face value of Rs. 9.80/- per Equity Share of Rs.10/- each shall be treated as cancelled. The balance paid-up value of Rs. 0.20/- per Equity Share of the Company shall be consolidated into fully paid up equity Shares of Rs.10/- each such that 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up of the Company held prior to the reduction hereunder shall stand reorganized into 2 (Two) Equity Shares of Rs.10/- each fully paid up.
- b) The fraction(s) arising from the aforesaid reduction shall be consolidated and thereupon vested to any Director(s) and/or officer(s) appointed/nominated by the Board of Directors, who shall hold the shares in trust and on behalf of such members of the Company with the express understanding that such Director(s) or Officer(s) to whom such Equity Shares shall vest, shall sell the same in the market at the best available price and pay to the Company the net sale proceeds thereof, which the Company shall distribute to the members in proportion to their respective fraction entitlements."
- c) The Share Forfeiture Account share be written off to its full extent and the Share premium Account shall be written-off by Rs. 82,94,218.
- d) The Equity Shares (after reduction) shall continue to be listed and traded on the respective Stock Exchanges, unless delisting is effected on any of the Exchange(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for giving effect



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to the abovesaid reduction of capital and to settle any question, difficulty or doubt that may arise in this regard in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company".

By Order of the Board of Directors
For Euro Gold Jewellery Limited

-sd/-
Managing Director

Place : New Delhi
Date : 21-07-2008

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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Businesses setting out details relating to the Special Business under item of 4, 5 & 6 are enclosed hereto.
3. All documents referred to in the notice or in the accompanying explanatory statement are open for inspection at the Registered Office of the Company between working hours on all working days upto the date of Annual General Meeting.
4. The details pertaining to the appointment/ reappointment of Directors are furnished in statement of Corporate Governance in the Director's Report/ in the Explanatory Statement in the notice.
5. The Register of Members and the Share Transfer books of the Company will remain closed on 14th August 2008 to 18th August 2008 (both days Inclusive) for the purpose of Annual General Meeting.
6. Members/proxies should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
7. Members are informed that in case of joint share holders attending the meeting, only such joint share holder who is first in the order of names will be entitled vote.
8. The communication address of our Registrar and Share Transfer Agent (RTA) is ALANKIT Assignments Limited having its office at 2E/ 21, Alankit House, Jhandewalan Extn, New Delhi-110055
9. The members are requested to intimate changes if any, in their registered address to the Registrar & Share Transfer Agents for shares held in physical form & to their respective Depository Participants for shares held in electronic form.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM No. 4

Mr. Rajbir Singh Makhni who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, at the Board Meeting held on 01.05.2008 to hold the office of Director only upto the date of this Annual General Meeting and being eligible, offers himself for re-appointment. Notice in writing under section 257 of the Companies Act, 1956 received from a Member, proposing the candidature of Mr. Rajbir Singh Makhni for appointment as Director of the Company, liable to retire by rotation.

Brief about Mr. Rajbir Singh Makhni is given under head "Corporate Governance".

The Board recommends the resolution for approval of members.

Except Mr. Rajbir Singh Makhni, none of the Director is in any way concerned or interested in the said resolution.

ITEM No.5

Mr. Mahabir Parshad Gupta who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, at the Board Meeting held on 01.05.2008 to hold the office of Director only upto the date of this Annual General Meeting and being eligible, offers himself for re-appointment. Notice in writing under section 257 of the Companies Act, 1956 received from a Member, proposing the candidature of Mr. Mahabir Parshad Gupta for appointment as Director of the Company, liable to retire by rotation.

Brief about Mr. Mahabir Parshad Gupta is given under head "Corporate Governance".

The Board recommends the resolution for approval of members.

Except Mr. Mahabir Parshad Gupta, none of the Director is in any way concerned or interested in the said resolution.

ITEM No. 6

As you are aware that the Company has been incurring continuous losses and the accumulated loss standing in the Audited Results for the

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15 months ended 30.06.2008 of the company is Rs.3.87 Crores. Thus, the Capital of the Company is not being represented by the Assets of the Company. The management of the company is making efforts to revive the business and searching investors to infuse funds for growth of the company. However, due to past losses and the track record of constant loss, no one seems to be interested in investing money in the Company.

Keeping in view the aforesaid facts, the management has decided to clean-up its balance sheet by adopting the process of reduction of capital as provided under the Companies Act, 1956. Under this process the accumulated losses of the Company as standing in the latest audited balance sheet shall be written to the maximum possible extent.

After forfeiture of partly paid shares the paid-up equity share capital of the Company is Rs. 2,68,53,000 (Rupees Two Crore Sixty-Eight Lakhs Fifty-Three Thousand only), divided into 26,85,300 (Twenty-six Lakhs Eighty-five Thousands Three Hundred) equity shares of Rs. 10/- (Ten) each. There is a Reserve & Surplus of Rs. 1,06,05,700 (Rupee One Crore Six Lacs Five Thousand Seven Hundred only) and in forfeiture account Rs. 41,57,300 is there.

It is proposed to write off all the money held in forfeiture account in the tune of Rs. 41,57,300 and Rs. 82,94,218/- (Rupees Eighty Two Lacs Ninety Four Thousand Two Hundred Eighteen) from the Share Premium Account as per the latest audited balance sheet as well as to reduce the Paid-up equity capital by 98%. Pursuant to the reduction the par value (Rs.10/-) of the paid up Equity Shares of Company as are issued and outstanding, on the Record Date, shall be reorganized. The face value of Rs. 9.80/- per Equity Share of Rs.10/- each shall be treated as cancelled. The balance paid-up value of Rs. 0.20/- per Equity Share of the Company shall be consolidated into fully paid up equity Shares of Rs.10/- each such that 100 (One Hundred) Equity Shares of Rs.10/- each fully paid up of the Company held prior to the reduction hereunder shall stand reorganized into 2 (Two) Equity Shares of Rs.10/- each fully paid up.

The paid-up share capital of the Company will remain at Rs. 5,37,060 (Rupees Five Lakhs Thirty-seven Thousand Sixty only) divided into 53,706 (Fifty-three Thousand Seven Hundred and Six) equity shares of Rs. 10/- (Ten) only. The management has decided to write off equity shares by 98% because a public company cannot have a paid-up share capital of less than Rs. 5 lakhs. After reduction of Capital the accumulated losses shall become Nil.

Pursuant to Section 100 read with section 78 of the Companies Act, 1956, writing off the face value of the Equity Shares and utilization of Securities Premium Account for a purpose other than as provided in Section 78 of the Companies Act shall be treated as reduction of capital which required approval of shareholders by a special resolution and also confirmation of High Court/Tribunal having jurisdiction. Thus, this resolution will be effective only after confirmation by the High Court/the Tribunal as the cases may be. After the shareholders pass this resolution, the Company would approach the High Court / the Tribunal for its confirmation.

The information of shareholding pattern before and after the reduction is as follows:

Name of Shareholders	Pre Reduction shareholding		Post reduction shareholding (After Reduction by 98.00%)	
	No. of Shares Held	Percentage of Shares	No. of Shares Held	% of Shares
Promoter's Holding	1037700	38.64	20754	38.64
Non-Promoter Holding	1647600	61.36	32952	61.36
TOTAL	2685300	100	53706	100

The shareholding pattern of the Company remains the same even after the proposed reduction, as the reduction shall be carried on a proportionate basis.

None of the directors of the company is directly or indirectly interested or concerned in the proposed resolution, except to the extent of reduction as may be caused in the capital of the shares held by them.

Yours Directors, therefore, recommend the said resolution at Item no. 6 for your approval as special resolution.

By Order of the Board of Directors
For **Euro Gold Jewellery Limited**

-sd/-
Managing Director

Place : New Delhi
Date : 21-07-2008



EURO-GOLD JEWELLERY LIMITED

DIRECTORS' REPORT

To,

The Members,

Your directors take pleasure in presenting the 19th Annual Report and Audited Statement of Accounts of the Company for the period ended on 30th June, 2008.

FINANCIAL RESULTS

The financial results of the Company for the period under review are summarized below. The previous figures in the financial statements have been regrouped, wherever necessary

Particulars	For the year ended 30th June, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Gross Income	1,00,45,347	34,93,640
Profit/(Loss) before Tax	(1,59,97,962)	(23,78,058)
Balance Carried to Balance Sheet	(3,87,67,458)	(2,27,20,726)

OPERATIONS

During the year the export orders are very few and the management of the Company is focusing on the Domestic Market and other arrangement, including restructuring of the share capital of the Company.

SHARE CAPITAL

The Share Capital remained the same during the period under review.

DIRECTORS

Mr. Ashok Kumar Maheshwari, Director of the Company being retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Rajbir Singh Makhni & Mr. Mahabir Parshad Gupta have been appointed as Additional Directors of the Company w.e.f. 1st May, 2008. Both the directors are eligible to hold office upto the date of the ensuing Annual General Meeting of the Company. The proposal to appoint Mr. Mahabir Parshad Gupta and Mr. Rajbir Singh Makhni as directors is being place before yourselves at the ensuing general meeting.

PUBLIC DEPOSIT

Your company has never invited/accepted any deposit from the public with the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under during the period under review.

AUDITORS

M/s Krishan K. Gupta & Co., Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment as the Auditors of the Company. You are requested to appoint auditors until the conclusion of next Annual General Meeting.

AUDITORS REPORT

The observation made by the Auditors in their report is self-explanatory and does not require any clarification.

DIVIDEND

Your directors do not recommend any dividend.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF COMPANIES ACT, 1956:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors of your Company would like to inform the members that the Audited accounts for the Financial Year ended June, 2008 are in full conformity with the requirement of the Companies Act 1956. The Directors further confirm that :

- in the preparation of the Annual Accounts, applicable accounting standards have been followed and proper explanation relating to material departures, if any, has been given.
- the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.
- the Directors had 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.
- the Directors have prepared the Annual Accounts on a going concern basis.

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The Directors hereby wish to place their appreciation for the efficient and loyal services rendered by the staff of the Company. The Company has not paid any remuneration attracting the provisions, of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Company Act, 1956. Hence, no information is required to be appended to in this regard.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Since the Company does not own any manufacturing activity, the provision of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particular in the Report of Board of Directors) Rules 1988, are not applicable.

FOREIGN EXCHANGE EARNINGS & OUTGO

There is no Foreign Exchange earnings & Foreign Exchange Outflow during the year under review.

CORPORATE GOVERNANCE

The Company is proactive in following the principles & practices of good corporate governance. The Company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges are complied with.

A separate statement on Corporate Governance is produced as a part of the Annual Report with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement of the Stock exchanges.

ACKNOWLEDGEMENT

Your Board of Directors wishes their sincere thanks to Shareholders, Customers, Dealers, Bankers, Agencies and Business Associates who have extended their continued support.

By Order of the Board of Directors
For Euro Gold Jewellery Limited

Place : New Delhi
Date : 21-07-2008

-sd/-
Chairman

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CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Euro Gold Jewellery Limited believes in good corporate Governance, which results in corporate excellence by practicing and attaining maximum level of transparency, disclosure, accountability and equity in all interaction with its stakeholders. Corporate Governance envisages disclosure on various facets of the Company's operations to achieve corporate excellence.

2. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Company is managed by well-qualified professionals. All directors including Non-Executive Directors are suitably qualified, experienced and competent. During the period under review Mr. Rajbir Singh Makhni and Mr. Mahabir Parshad Gupta appointed as additional directors of the company w.e.f. 1st May, 2008. At present, the Board consists six members comprising of Non-executive & Independent Directors i.e. Mr. Mahabir Parshad Gupta, & Mr. Rajbir Singh Makhni are the independent directors in the company.. The Independent Directors do not have any pecuniary relationships of transaction with the Company, promoters, management that may affect their judgment in any manner.

During the financial year under review 6 Board meetings were held on 30/04/2007, 30/07/2007, 30/10/2007, 30/01/2008, 15/04/2008, & 01/05/2008 and the attendance of each of the Director in the Board meetings is as follows:

S. No.	Name of the Director	Designation	No. of Board Meeting attended	Status of the Director
1	ASHOKKUMAR MAHESHWARI	Chairman	6	Executive Chairman
2	ASHVARYA KUMAR MAHESHWARI	Managing Director	5	Executive Director
3	RAKESH KUMAR AGARWAL	Director	4	Independent Director
4	VIMAL JAIN	Director	4	Independent Director
5	RAJBIR SINGH MAKHNI	Director	1	Independent Director
6.	MAHABIR PARSHAD GUPTA	Director	1	Independent Director

Brief Resume of the Directors to be appointed/re-appointed:

Mr. Rajbir Singh Makhni

He has very dynamic personality and having varied experiences of corporate sectors. He worked with very renowned corporate on senior position for more than 15 years and since last 7-8, he is carrying on his own business.

Mr. Mahabir Parshad Gupta

Mr. Mahabir Parshad Gupta, B.A, FCS is having wide experience in the finance and accounts, he worked with Jindal Group as finance director and expertise in secretarial and restructuring matters. Currently he is a director in Shri Gajraj Finlease (p) Ltd., Bhiwadi Plastics Private Limited and Genins India Limited.

(3) AUDIT COMMITTEE

To provide assistance to the Board of Directors of the Company the Audit Committee was constituted. It consists of three members including Chairman. The Committee was re-constituted and now headed by Mr. Mahabir Parshad Gupta. This Committee consists three members i.e. Mr. Mahabir Parshad Gupta, Mr. Rajbir Singh Makhni and Mr. Rakesh Kumar Agarwal. The Audit Committee provides direction to and oversees the audit and risk management functions, reviews the financial accounts, interact with statutory auditors and reviews matters of special interest.

During the period under review, the Audit Committee met four times. The meetings were attended by all the members of the committee.

(4) REMUNERATION COMMITTEE

The Remuneration Committee was re-constituted & it is now headed by Mr. Rajbir Singh Makhni as the chairman of the Committee. The Remuneration Committee of the company comprises of three Directors consisting of Mr. Rajbir Singh Makhni, Mr. Vimal Jain and Mr. M.P. Gupta All the members of the committee attended the meeting. As on date there are no directors who are drawing remuneration from the Company.

(5) SHARE TRANSFER & SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Share Transfer & Shareholders/ Investors Grievance Committee provides assistance to the Board of Directors in ensuring that the transfer of shares takes place within the stipulated period. The Committee is headed by Mr. Mahabir Parshad Gupta, to look after all matters pertaining to share transfers, Transmissions, issuance of duplicate shares certificate, transpositions etc & also to provide the shareholders of the company with additional assurance that sufficient information is being provided to enable them to form a reasoned opinion on the working of the company & to ensure speedy redressal of their grievances pertaining to share related issues. The Committee consisting members Mr. Mahabir Parshad Gupta, Mr. Rajbir Singh Makhni and Mr. Vimal Jain.

The Committee frames the policy & look into the redressal of shareholders & Investors grievances pertaining to:

- 1) Transfer of shares & its timeliness