

## CORPORATE GOVERNANCE

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

Corporate Governance Philosophy of Euro Finmart Limited (Previously Known as Euro Gold Jewellery Limited) stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including Shareholders, viewers etc. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholders' value, while preserving the interests of multiple stakeholders, including society at large.

Corporate Governance at Euro Finmart Limited is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability. Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place system, process and technology.

We believe that sound Corporate Governance is critical to enhance and retain stakeholders' trust. Accordingly we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices in international Corporate Governance. We also endeavor to enhance long term shareholders' value and respect minority rights in all our business decisions.

### 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 Mr. Ashok Kumar Maheshwari has ceased the directorship of the company w.e.f. 2nd December, 2009 and Mr. Sunil Kumar Gupta is appointed as additional Director w.e.f. 15th December, 2009 as a non-executive Professional Director under review.

The majority of your Board, i.e. 3 (Three) out of 4(Four), are Independent Members and the Audit and Remuneration committees of the Board comprises of majority of Independent Directors.

At present, the Board consists of four members i.e., Mr. Ashvarya Kumar Maheshwari (**Promoter Director**), Mr. Mahabir Parshad Gupta (**Independent Director**), Mr. Rajbir Singh Makhni (**Independent Director**) & Mr. Sunil Kumar Gupta (**Professional Director**). 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 **thirteen (13)** Board meetings were held on 2/04/2009, 30/04/2009, 26/05/2009, 1/06/2009, 20/07/2009, 31/10/2009, 12/11/2009, 2/12/2009, 13/12/2009, 30/12/2009, 5/01/2010, 5/03/2010 and 20/03/2010 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	Ashvarya Kumar Maheshwari	Director	12	Promoter Director
2	Ashok Kumar Maheshwari*	Director	7	Promoter Director
3	Sunil Kumar Gupta	Director	4	Independent Director
4	Rajbir Singh Makhni	Director	10	Independent Director
5	Mahabir Parshad Gupta	Director	10	Independent Director

\* ceased to be director w.e.f 02.12.2009

#### Brief Profile of all the Directors of the Company, including those to be appointed/re-appointed at the Annual General Meeting:

##### Mr. Ashvarya Kumar Maheshwari, Promoter Director:

He is the Promoter Director of M/s Euro Finmart Limited. The Visionary leadership of Mr. Maheshwari has created a multi divisional corporate which can boast of many firsts to its credits. He is having 20 years of experience in Consultancy and Advisory services related to Management & expertise in Corporate.

##### Mr. Ashok Kumar Maheshwari, Promoter Director:

A graduate from the University of Delhi has 20 year experience in the field of Gems & Jewellery. He started his business carrier as a diamond exporter in 1974 by forming a partnership firm, namely, Maheshwari Brothers. In 1985, an another firm, Maheshwari Gems, Was formed by his HUF for dealing in diamonds. Since 1974 he is managing the family business in Bombay.

**Mr. Mahabir Parshad Gupta, Independent Director:**

Mr. Mahabir Parshad Gupta, Aged about 62 yrs, BA, FCS having 30 yrs experience in the field of Secretarial and Finance Functions and serve as Finance Director in the Jindal Group of Company and Currently involved in the Advisory services related to Finance and Health care related Matters. As the Company enter into financial services sector the vast experience to Mr. Gupta will help to rebuild the image of the Company in financial services.

**Rajbir Singh Makhni, Independent Director:**

Mr. Rajbir Singh Makhni Aged about 52 yrs, having rich experience in the field of consultancy and liasoning matters with the Corporate. He is the Director of the Company since 2008. He is having 20 Years of rich experience in Stock & Commodity broking services. He is indulge in the regular business affair of the company. As the Company plan to get the membership of all the Major exchanges of the Country, the experience of Mr. Rajbir Singh Makhni help the company to enter into Broking Segment.

**Sunil Kumar Gupta, Independent Director:**

He is the B.Com, CA (inter) aged about 42 yrs having rich experience in the field of accounts and finance matters. He is looking after day to day finance matters of the Company and involve in the advisory services related to Restructuring, ROC, CLB and advisory matters related to account and taxation for the individuals as well as Corporate.

**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 namely Mr. Mahabir Parshad Gupta as Chairman, Mr. Rajbir Singh Makhni and Ashok Kumar Maheshwari. The Company Secretary is the Secretary of the Committee.

Due to cessation of Mr. Ashok Kumar Maheshwari the Committee was re-constituted on dated 13.12.2009 and now headed by Mr. Mahabir Parshad Gupta as Chairman, Mr. Rajbir Singh Makhni and Mr. Ashvarya Kumar Maheshwari.

**Primary Objective**

The Primary objective of the Audit Committee (the Committee) of the Company is to monitor and provide effective supervision of the management financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The role and powers of the Audit Committee is as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- Oversight of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.
- Review of Company's financial and risk management policies.
- Review with the management, statutory and internal auditors, adequacy of internal control systems.
- Recommend to the Board the appointment, re-appointment and removal of the statutory auditor, fixation of their remuneration.
- Discussion with Statutory Auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the Statutory Auditors.
- Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow up there on and in particular internal control weaknesses.

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

**4. REMUNERATION COMMITTEE**

The Remuneration Committee is 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. Ashok Kumar Maheshwari and Mr. Mahabir Parshad Gupta. The Company Secretary is the Secretary of the Committee.

Due to cessation of Mr. Ashok Kumar Maheshwari the Committee was re-constituted on dated 13.12.2009 and now headed by Mr. Rajbir Singh Makhni, Mr. Ashvarya Kumar Maheshwari and Mr. Mahabir Parshad 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 provide 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, 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 is consisting of members i.e. Mr. Mahabir Parshad Gupta, Mr. Rajbir Singh Makhni and Mr. Ashok Kumar Maheshwari. The Company Secretary is the Secretary of the Committee.

Due to cessation of Mr. Ashok Kumar Maheshwari the Committee was re-constituted on dated 13.12.2009 and now headed by Mr. Rajbir Singh Makhni, Mr. Sunil Kumar Gupta and Mr. Mahabir Parshad Gupta.

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

- 1) Transfer of shares & its timeliness.
- 2) Transmission of Shares.
- 3) Issuance of duplicate shares.
- 4) Investors/ shareholders grievance(s) pertaining to all types of matters concerning their dealing with the Company with respect to their investment in the securities of the company, more specially pertaining to non-receipt of Annual Reports, delay in transfers, non-redressal of complaint, non-receipt of Annual Reports.

## 6. GENERAL BODY MEETING

Details of Annual General Meeting (AGM) for the last Three Years:

Description of Meeting	Date	Venue	Time	No. of Special resolution passed
20th AGM	20th August, 2009	291, Anarkali Complex, Jhandewalan Extn. New Delhi-55	10:00 A.M.	1
19th AGM	18th August, 2008	2E/16, Jhandewalan Extn, New Delhi-55	10:00 A.M.	1
18th AGM	29th Sept., 2007	Saket Cultural Club, New Delhi-17	11:00 A.M.	NIL

One **Extra Ordinary General Meeting** was held on 30th December, 2009 for reclassification of existing authorized capital by division of 50,00,000 (Fifty Lac) Equity Shares of Rs 10/- (Rupees Ten only) into 49,00,000 (Forty Nine lacs) 6% Non-Convertible Preference Shares of Rs 10/- (Rupees Ten only) each and 1,00,000 (One Lac) Equity Shares of Rs. 10 (Rupees Ten only) each. Further, 49,00,000 (Forty Nine Lacs), 6% Non-Convertible, Preference Shares of Rs. 10/- each fully paid up, were allotted to the Strategic Investors belonging to Non-promoter group.

## 7. DISCLOSURE

1. Related parties & transaction with them as required under Accounting Standard 18 (AS- 18) are furnished as item No.13 of Part B of Schedule 10 relating to Significant & Accounting Policies and Notes on Accounts attached to & forming part of Balance Sheet & Profit & Loss Account for the period ended 31.03.2010
2. There is no pecuniary relationship or transaction with Independent/Non executive Director.
3. None of transactions with any of any of related parties were in conflict with the interest of the Company.

## 8. MEANS OF COMMUNICATION

Complying with provision of the Listing Agreement, norms, Guidelines and Circulars etc. and Information like Quarterly Financial results and other significant developments in the Company has been made available from time to time to the press and had also been submitted to the Stock Exchanges to enable them to put them on their websites.

## 9. CEO/CFO CERTIFICATION

The Director has signed a certificate accepting responsibility for the financial statement and confirming the effectiveness of the internal control systems, as required in Clause 49 of the Listing Agreement with the Stock Exchanges, which is given separately herewith

**10. SHAREHOLDERS' INFORMATION**

<b>Annual General Meeting</b>	: <b>21st Annual General Meeting</b>
Day Date	: Friday, 25th June, 2010
Location	: 291, Anarkali Complex, Jhandewalan Extension, New Delhi -110055
Time	: 10:00 A.M.

**Date of Book Closure**

From **21st June, 2010 to 26th June, 2010** (both days Inclusive) for the purpose of Annual General Meeting.

**Listing on Stock Exchanges**

- The Bombay Stock Exchange, Mumbai  
25th Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai.
- The Delhi Stock Exchange Association Ltd.  
DSE House, 3/1, Asaf Ali Road, New Delhi.

**Stock Code**

ISIN No.	: INE914E01024
Scrip Code	: 531082 at Bombay Stock Exchange

**Capital Structure**

As on 31.03.2010, the Authorized Share Capital of the Company was Rs.5.00 Crores and paid up share Capital was Rs. 4,95,37,060/-consisting of 49,00,000 6% non- convertible preference shares of Rs. 10/- each and 53706 equity shares of Rs.10/- each. The shareholding pattern of the Company as on 31.03.2010 is as follows:

Category	No. of shares held	Percentage of Shareholding
<b>A Promoter's Group</b>		
1. Promoters - Indian Promoters	21286	39.63
- Foreign Promoters	444	00.83
2. Persons acting in concert		
<b>Sub-Total</b>	<b>21730</b>	<b>40.46</b>
<b>B Non-Promoter's Holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	290	00.54
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-government Institutions)		
c. FIIs		
<b>Sub- Total</b>	<b>290</b>	<b>00.54</b>
<b>4. Others</b>		
a. Private Corporate Bodies	908	1.69
b. Indian Public	26628	49.58
c. NRIs	3950	7.36
d. OCBs	200	00.37
Any other (please specify)		
<b>Sub-Total</b>	<b>31686</b>	<b>59.00</b>
<b>GRAND TOTAL</b>	<b>53706</b>	<b>100</b>

**Distribution of Shareholding – As on 31.03.2010**

Shareholding of Nominal Value of Rs.	% to Total	No. of Shareholders	No. of Shares	Amount in Rs. 10/-	% to Total
1 to 100	95.77	1132	18946	189460	35.277
101 to 500	3.383	40	8496	84960	15.819
501 to 1000	0.085	1	660	6600	1.229
1001 to 5000	0.677	8	19394	193940	36.111
5001 to 10000	0.085	1	6210	62100	11.563
<b>Total</b>	<b>100</b>	<b>1182</b>	<b>53706</b>	<b>537060</b>	<b>100</b>

**Market Price Data**

The Company's equity shares are listed at **Bombay Stock Exchange (BSE)**, & **Delhi Stock Exchange Association Ltd. (DSE)**. In DSE till date no trading is commence so share price market data is not available and in BSE our security status is suspended so no current data shown at BSE site. However we applied with BSE regarding revocation of suspension of trading in shares and a near future we will get the trading approval.

\*Source: [www.bseindia.com](http://www.bseindia.com)

**Dematerialisation of Shares**

Company has entered into an agreement with **NSDL** whereby the shareholders have the option to dematerialize their shares with either of depositories.

Status of Issued Share Capital as on 31.03.2010

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	30820	57.39
Physical Form	22886	42.61
<b>Total</b>	<b>53706</b>	<b>100</b>

**Registered office**

291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055

**Registrar and Share Transfer Agent**

Mr. Mahesh Jairath,

M/s Alankit Assignments Limited.

Alankit House

2E/21, Jhandewalan Extension,

New Delhi-110055

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