



Euro Finmart Limited

Annual Report 2009-10



CONTENTS

1.	CORPORATE INFORMATION	1
2.	NOTICE	2
3.	ANNEXURE TO THE NOTICE	3
4.	DIRECTOR'S REPORT	4-5
5.	MANAGEMENT DISCUSSION & ANALYSIS REPORT	6-7
6.	CORPORATE GOVERNANCE	8-12
7.	CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT	13
8.	DECLARATION PURSUANT TO CLAUSE 49 I (D) (II) OF THE LISTING AGREEMENT	14
9.	AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE	15
10.	AUDITOR'S REPORT	16
11.	ANNEXURE TO AUDITORS' REPORT	17-18
12.	BALANCE SHEET	19
13.	TRADING AND PROFIT & LOSS ACCOUNTS	20
14.	SCHEDULES	21-25
15.	BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE	26
16.	CASH FLOW STATEMENT	27
17.	AUDITORS' CERTIFICATE	28
18.	ATTENDANCE SLIP, PROXY FORM	29

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ashvarya Kumar Maheshwari	Director
Mr. Mahabir Parshad Gupta	Director
Mr. Rajbir Singh Makhni	Director
Mr. Sunil Kumar Gupta	Director

COMPLIANCE OFFICER

Heena Jain
Company Secretary

AUDITORS

M/s Krishan K. Gupta & Company
Chartered Accountants

BANKERS

Central Bank
Vijaya Bank
Bank of Baroda
HDFC Bank

REGISTRAR & SHARE TRANSFER AGENTS

Alankit Assignments Limited
Registrar & Share Transfer Agents

REGISTERED OFFICE

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF EURO FINMART LIMITED WILL BE HELD ON FRIDAY, THE 25TH DAY OF JUNE, 2010, AT 10:00 A.M AT 291, ANARKALI COMPLEX JHANDEWALAN EXTENSION, NEW DELHI-110055 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010, 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. Mahabir Parshad Gupta who retires by rotation at this meeting and being eligible, offer 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 decide by the Board.

SPECIAL BUSINESS

1. To consider and if, thought fit, to pass, the following resolution, with or without modification(s), as an Ordinary Resolution.

"RESOLVED THAT Mr. Sunil Kumar Gupta who was appointed by the Board of Directors as an additional Director of the Company with effect from **December 15, 2010** and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**By Order of the Board of Directors
For Euro Finmart Limited**

**-sd/-
Heena Jain
Company Secretary**

**Place : New Delhi
Date : 25.05.2010**

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. All documents referred to in the notice 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.
3. The Register of Members and the Share Transfer books of the Company will remain closed on **21st June 2010 to 26th June 2010** (both days Inclusive) for the purpose of Annual General Meeting.
4. Members/proxies should bring their copy of the Annual Report for reference at the meeting & also the attendance slip duly filled in for attending the meeting.
5. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
6. The communication address of our Registrar and Share Transfer Agent (RTA) is Alankit Assignments Limited having its Corporate Office at 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055
7. 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.1

Mr. Sunil Kumar Gupta was appointed with effect from December 15, 2009, as an Additional Professional Non-Executive Director of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act").

Mr. Sunil Kumar Gupta vacate his office at this Annual General Meeting pursuant to the provisions of Section 260 of the Act. Due notice under Section 257 of the Act has been received from a Member proposing Mr. Sunil Kumar Gupta appointment as Director of the Company. Mr. Sunil Kumar Gupta has filed requisite consent to act as a Director, if appointed. Mr. Sunil Kumar Gupta does not hold any shares in the Company.

None of the Directors of the Company, except Mr. Sunil Kumar Gupta is interested in the Resolution.

Your Directors recommend the Ordinary Resolution for the approval of the members.

**By Order of the Board of Directors
For Euro Finmart Limited**

-sd/-
Heena Jain
Company Secretary

Place : New Delhi
Date : 25.05.2010

DIRECTORS' REPORT

To
The Members,

Your directors take pleasure in presenting the 21st Annual Report and Audited Statement of Accounts of the Company for the period ended on 31st March 2010.

OVERVIEW

The company mainly indulged in business of stock broking and its allied matters & selling or buying or subscribing to or dealing in share and commodity trading business and its related correspondence activities. It also acting as advisers and consultants on all matters and problems relating to corporate, departments & services of Govt., Public, Local and other various authorities to corporate and other body corporate.

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 31st March, 2010 (Rs.)	For the 9 Months ended 31st March, 2009 (Rs.)
Sale / Operating income	5,95,66,350	2,28,240
Other Income	7,63,653	26,21,641
Total Income	6,03,30,003	28,49,881
Total Expenses	5,83,64,552	19,86,640
Profit/(Loss) before Tax	19,65,451	8,63,241
Provision for Taxation (net)	(2,77,200)	(9,032)
Profit/(Loss) after tax	16,88,251	8,54,209

OPERATIONS

During the year, company was engaged in expansion of business activity and indulges in processes to derive the synergies and optimize the use of available resources. Your directors wish to inform you that during the year company has well performed. Company Key focus areas are financial Services activities and sub broking activities. Your Directors pleased to inform you that after a long wait we get the approval from **Delhi Stock Exchange** regarding trading in shares and we also applied with **Bombay Stock Exchange** for the revocation of suspension of trading in shares and in near future we will get the approval from the same.

SHARE CAPITAL

During the financial year 2009-2010, there has been no increase in the Authorized Share Capital of the Company under review.

However, Your Board of Directors at its Meeting held on December 2, 2009 decided to reclassified the authorised share capital structure by division of existing 50, 00,000 shares of Rs. 10/- each into 49,00,000 6% Non Convertible Preference Shares of Rs. 10/-each and 1,00,000 equity shares of Rs. 10/- each and the same have been approved by the Members at the Extra Ordinary General Meeting held on December 30, 2009.

Your Board of Directors at its Meeting held on December 30, 2009 have approved the increase in paid up capital by allotting 49,00,000 6% Non Convertible Preference Shares for a value aggregating Rs. 49,00,0000 in preferential basis to non promoter group.

DIRECTORS

Your Board had appointed Mr. Sunil Kumar Gupta as an Additional Director of the Company in the category of Professional Director with effect from December 15, 2009. Mr. Sunil Kumar Gupta vacates his office at the ensuing Annual General Meeting and has filed requisite consent to act as a Director of the Company. Notice has been received from a Member of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr. Sunil Kumar Gupta as a Director of the Company.

Appropriate resolution seeking your approval to the appointment of Mr. Sunil Kumar Gupta as the Director of the Company is appearing in the Notice convening the 21st Annual General Meeting of the Company.

Mr. Mahabir Parshad Gupta, Directors retire by rotation at the ensuing Annual General Meeting of your Company and, being eligible, have offered themselves for the re-appointment.

Your Board has recommended their re-appointment.

PUBLIC DEPOSIT

During the year, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Act, read with Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

Statutory Auditors M/s Krishan K. Gupta & Co., Chartered Accountants, Delhi, retire at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

DIVIDEND

The Board is of the view that the Company should take advantage of the tremendous growth potential. Accordingly, the directors do not recommend any dividend for the year ended March 31, 2010.

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 31st March, 2010 are in full conformity with the requirement of the Companies Act 1956. The Directors further confirm that:

- i) 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.
- ii) the accounting policies are consistently applied and reasonable, prudent judgment 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.
- iii) 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.
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

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 this regard.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, ADATATION AND INNOVATION

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

FOREIGN EXCHANGE EARNINGS & OUTGO

There is no Foreign Exchange earnings and outflow during the year.

CORPORATE GOVERNANCE

The Company is proactive 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 report on Corporate Governance together with Auditors' Certificate on compliance is attached to this Annual Report as also a Management Discussion and Analysis statement.

ACKNOWLEDGEMENT

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

On Behalf of the Board of Directors

-sd/-
Mahabir Parshad Gupta
Director

-sd/-
Sunil Kumar Gupta
Director

-sd/-
Heena Jain
Company Secretary

Place : New Delhi
Date : 25.05.2010

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRIAL SCENE

The Company primarily functions in Capital Market segments, viz Stock Broking and its allied matters and deals in sale and purchase of share and commodity and in addition we providing financial and corporate advisory services to corporates.

In recent months the global financial markets have undergone change beyond anything seen in recent decades. The government has taken a number of steps in recent months to revive the economy, including slashing interest rates, lowering factory levies and more than doubling the limit on foreign investment in corporate bonds. The financial services space is a rapidly growing one in India.

FINANCIAL OUTLOOK

In India Financial service industry is one of the fastest growing industries. According to the latest Central Statistical Organisation (CSO) data, financial services, banking, insurance and real estate sectors rose by 7.8 per cent in the third quarter of 2009-10.

Your Company intends to actively and aggressively pursue growth opportunities in the fast growing financial industry so as to retain most preferred choice. The company has started to deal and trading in Equity shares and in commodity. Your management is hopeful that during the current financial year the profits of the company would increase. Therefore, your management expects a better financial performance in the times to come.

OPPORTUNITIES

- Economy is still growing so huge opportunity available for growth and to expand area of operations.
- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate
- advisory business

THREATS

- Execution risk
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Unfavorable economic conditions

COMPANY'S OUTLOOK

Your company presently focus into new areas in financial & advisory services activities and engaged in the business of stock broking & selling or buying or subscribing to or dealing in shares and commodities business. It also started to act as adviser and consultant on all matters and problems relating to corporate, departments & services of Govt., Public, Local and other various authorities to corporates. Further your company has received approval from, Delhi Stock Exchange for Deposit based membership and in near future we will be act as member in coming financial year. Therefore the management expects a better performance in the future.

RISKS MANAGEMENT

We are engaged in sub broking and services activities business, to prevent from the risk events they are time to time identified, assessed, mitigated and monitored by the management separately.

Our risk management approach comprises of three key elements, which are as follows:

- **Risk Identification**

External and internal risk events, that must be managed and identified in the context of nature and its impact on business. These risk events are assessed by management and prioritized for development of risk mitigation.

- **Risk Mitigation**

This step comprises developing of a mitigation plan for the risks identified and to be treated on priority.

- **Risk Monitoring and Assurance**

Key risks are managed through a structure that cascades across the corporate and business. At the corporate level, management is responsible for the risk management process and reviewing the implementation and effectiveness of mitigation plans.

INTERNAL CONTROL SYSTEM

The Company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information system has been developed through which production performance and financial dealings are monitored by management on regular basis.

HUMAN RESOURCES

The Company believes that in Service Sector the employees are the backbone of the Company. The Company is providing an equal opportunity to all the employees to utilise their full potential and grow with the organization.