



EURO FINMART

Euro Finmart Limited

Annual Report 2010-11



CONTENTS

1.	CORPORATE INFORMATION	1
2.	NOTICE	2-3
3.	ANNEXURE TO THE NOTICE	3
4.	DIRECTOR'S REPORT	4-6
5.	MANAGEMENT DISCUSSION & ANALYSIS REPORT	7-8
6.	CORPORATE GOVERNANCE	9-15
7.	CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT	16
8.	DECLARATION PURSUANT TO CLAUSE 49 I (D) (II) OF THE LISTING AGREEMENT	17
9.	AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE	18
10.	AUDITOR'S REPORT	19
11.	ANNEXURE TO AUDITORS' REPORT	20-21
12.	BALANCE SHEET	22
13.	TRADING AND PROFIT & LOSS ACCOUNTS	23
14.	SCHEDULES	24-28
15.	BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE	29
16.	CASH FLOW STATEMENT	30
17.	AUDITORS' CERTIFICATE	31
18.	ATTENDANCE SLIP, PROXY FORM	32

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ashvarya Kumar Maheshwari	Director
Mr. Rajbir Singh Makhni	Director
Mr. Sunil Kumar Gupta	Director
Mr. Yash Basrar	Director

BOARD LEVEL COMMITTEES**I. AUDIT COMMITTEE**

Mr. Rajbir Singh Makhni
 Mr. Ashvarya Kumar Maheshwari
 Mr. Sunil Kumar Gupta

II. SHARE TRANSFER & SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Mr. Rajbir Singh Makhni	Director
Mr. Sunil Kumar Gupta	Director
Mr. Yash Basrar	Director

III. REMUNERATION COMMITTEE

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

Ashish Kumar

Company Secretary & Compliance Officer

REGISTERED AND CORPORATE OFFICE

291, Anarkali Complex, Jhandewalan Extension,

New Delhi-110055

Tel : 91 -11-41540028

Fax : 91 -11-41540028

Website : www.eurofin.inInvestor helpdesk : investors@eurofin.in**STATUTORY AUDITORS**

M/s Krishan K. Gupta & Company

Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

Alankit Assignment Limited,

2E/21, Alankit House, Jhandewalan Extn. -

New Delhi-110055

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22nd ANNUAL GENERAL MEETING OF THE MEMBERS OF EURO FINMART LIMITED WILL BE HELD ON THURSDAY, THE 15th DAY OF SEPTEMBER, 2011, 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, 2011, 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. Sunil Kumar Gupta who retires by rotation at this meeting and being eligible, offer himself for re-appointment. Mr. Sunil Kumar Gupta aged about 43 yrs having rich experience in the field of accounts and finance matters.
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

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

"RESOLVED THAT Mr. Yash Basrar who was appointed by the Board of Directors as an additional Director of the Company with effect from **10th Feb, 2011** 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/-
Ashish Kumar
Company Secretary**

**Place : New Delhi
Date : 10.08.2011**

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 **Thursday, 8th September 2011 to Thursday, 15th September 2011** (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.

8. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.eurofin.in
9. The Company has implemented the "Green Initiative" as per circular Nos. 17/2011 dated April 21, 2011 and dated 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, director's report, auditors' report etc. will also be displayed on the website www.eurofin.in of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in 3 (i) above by quoting their folio number(s) in the attached format.

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

-sd/-

**Ashish Kumar
Company Secretary**

**Place : New Delhi
Date : 10.08.2011**

ANNEXURE TO THE NOTICE

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

Item No.1

Mr. Yash Basrar was appointed with effect from 10th Feb, 2011, as an Additional independent Non-Executive Director of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act").

Mr. Yash Basrar vacates 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. Yash Basrar appointment as Director of the Company. Mr. Yash Basrar has filed requisite consent to act as a Director. If appointed, Mr. Yash Basrar does not hold any shares in the Company. Mr. Yash Basrar aged about 65 yrs, is a fellow member of ICSI and well known corporate consultant. He is having vast experience in Consultancy and Advisory services related to Management & expertise in Corporate.

None of the Directors of the Company, except Mr. Yash Basrar 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/-

**Ashish Kumar
Company Secretary**

**Place : New Delhi
Date : 10.08.2011**

DIRECTORS' REPORT

To
The Shareholders
of Euro Finmart Limited

The Board of Directors of your Company take pleasure in presenting the 22nd Annual Report and Audited Statement of Accounts of the Company for the period ended on 31st March 2011.

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, 2011 (Rs.)	For the Year ended 31st March, 2010 (Rs.)
Sale/ Operating income	32,459,911	56,348,054
Other Income	5,518,226	14,076,324
Total Income	37,978,137	70,424,378
Total Expenses	34,051,184	68,458,927
Profit/ (Loss) before Tax	3,926,953	1,965,451
Provision on for Taxation (net)	(687,504)	(277,200)
Profit/ (Loss) for the Year	3,239,449	1,688,251

OPERATIONS

During the Financial Year, the Company was engaged in expansion of business activity and indulged in processes to derive the synergies and optimize the use of available resources. Your directors wish to inform you that during the year company have well performed. Company Key focus areas are financial Services activities and sub broking activities. The management has taken steps to strengthen the Company and to cope with the changes in years to come by undertaking various new projects and keeping pace with the dynamic environment.

Further your company has been empanelled as an Enrolling Agency (EA) by the Unique Identification Authority of India (UIDAI) for undertaking demographic and biometric data collection for UID enrollment, as per the following Empanelment Scheme categorization:

- **Technical Capability- LevelT1**

- **Financial Capacity- TierF3**

- **States in which the Company can undertake UID enrollment work**

1. Gujarat
2. Andhra Pradesh
3. Jammu & Kashmir
4. Karnataka
5. Maharashtra
6. Madhya Pradesh

SHARE CAPITAL

The authorised share capital of the Company is Rs. 50,000,000/- (Rupees Five Crores only) divided into 50,000,000 (Fifty lacs) Equity Shares of Rs.10/- each only.

CONVERSION, RECLASSIFICATION OF PREFERENCE SHARES AND ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS:

In **Preference Shareholders Meeting** held on 3rd January, 2011, Preference Shareholders approved the resolution for the conversion of their Preference Shares into Equity Shares.

In **Extra Ordinary General Meeting** held on 24th January, 2011, the members re-classified the authorized share capital of the company by cancellation of 4,900,000 (Forty Nine lacs) 6% Non-convertible Preference Shares of Rs 10/- (Rupees Ten) each and created 4,900,000 (Forty Nine Lacs) Equity Shares of Rs 10/- (Rupees Ten) each.

Further the existing Clause V of the Memorandum of Association of the Company as to share capital was substituted as follows:-

"V. The Authorised Share Capital of the Company is Rs. 50,000,000/- (Rupees Five Crores only) divided into 5,000,000 (Fifty lacs) Equity Shares of Rs.10/- each."

Further in **Extra Ordinary General Meeting** held on 24th January, 2011 the members authorized the Board to issue, offer and allot upto 9 15,875 (Nine Lacs Fifteen Thousand Eight Hundred and Seventy Five) Equity Shares of Rs.10/- each to the Preference Shareholders who opted to convert their holdings at a price of Rs. 53.50/- (Rupees Fifty three and Fifty Paise) per share (includes premium of Rs.43.50/-).

As a result the Board allotted 915,875 (Nine Lacs Fifteen Thousand Eight Hundred and Seventy Five) Equity Shares of Rs.10/- each to the Preference Shareholders at a price of Rs. 53.50/- (Rupees Fifty three and Fifty Paise) per share (includes premium of Rs.43.50/-), upon conversion of Preference Shares held by them.

DIRECTORS

Mr. Yash Basrar has been appointed as an Additional Director of the Company, in the Board meeting held on 10th February 2011. Mr. Yash Basrar is a fellow member of ICSI and well known Corporate Consultant. The Board approved his appointment as an independent Non Executive director. Mr. Yash Basrar 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. Yash Basrar as a Director of the Company.

Appropriate resolution seeking your approval to the appointment of Mr. Yash Basrar as the Director of the Company is appearing in the Notice convening the 22nd Annual General Meeting of the Company.

Mr. Sunil Kumar Gupta, director retires by rotation at the ensuing Annual General Meeting of your Company and, being eligible; have offered himself for re-appointment. Mr. Sunil Kumar Gupta aged about 43 yrs having rich experience in the field of accounts and finance matters. He is expert in finance matters 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.

The matter is placed before the shareholders for their consideration.

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 themselves 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, 2011.

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, 2011 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 updated 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.

ENERGY CONSERVATION , TECHNOLOGY ABSORPTION, ADAPTATION 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 and in the Companies Act 1956.

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 Report.

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

Place : New Delhi
Date : 10.08.2011

--sd/-
Rajbir Singh Makhni
Director

--sd/-
Sunil Kumar Gupta
Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT**INDUSTRIAL SCENE**

The financial services space is a rapidly growing one in India. During this period competition has intensified with the entry of several new players with large brands and well capitalized balance sheets as well as smaller ones. The bigger challenge for players is to achieve sustained and consistent returns on their investments, while managing their growth trajectory.

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 Corporate.

FINANCIAL OUTLOOK

The activity of the company is guided by the principles of adequate security, safety and prudence and the company would continue to endeavor to achieve good returns within this ambit. The focus on each of the businesses is to improve profitability – focus on profitable lines of business, cut expenses and increase productivity. The company has to maximize persistency and avoid cost overruns. With customer needs for products and services getting more sophisticated with growing income levels organized players will drive the consolidation within this industry.

No doubt, growth will return. But it will need to be addressed by sensible business practices that focus on taking care of customers and maximizing persistency, thus conserving capital and earning profits. Euro Finmart is well onto such a path.

OPPORTUNITIES

- Economy is growing at healthy rate leading to investment/capital requirement.
- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all class of investors.
- Corporate 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.
- Inflationary Pressure & rising interest rates.

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 corporate.

Further your company has empanelled as an Enrolling Agency (EA) by the Unique Identification Authority of India (UIDAI) for undertaking demographic and biometric data collection for UID enrollment, as per the following Empanelment Scheme categorization:

- Technical Capability- LevelT1
- Financial Capacity- TierF3
- States in which the Company can undertake UID enrollment work

1. Gujarat
2. Andhra Pradesh
3. Jammu & Kashmir
4. Karnataka
5. Maharashtra
6. Madhya Pradesh

Further our constant endeavour to provide best in-class research, advice, corporate access and execution support will help us to tap emerging opportunities and gain higher market share across all the institutional client segments. Our Research team provides a complete bouquet covering Thematic, Sectoral, Company updates, Periodicals, Expert speak and Ground reality. Our team comprises multi-disciplinary professionals with extensive corporate finance advisory experience. An extensive understanding of different sectors underpinned by the strong research pedigree of the Group enables us to provide customized financial solutions to our clients across industries.

Our established track record, strong corporate relationships, experienced team and synergies within the group sets the right impetus to capture the opportunities emerging from Corporate India as it heads into the Next Trillion Dollar era; helping us build a strong and profitable franchisee in this business. Hence 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. Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets.

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 utilize their full potential and grow with the organization. Over the years we have developed strong HR practices aimed at ensuring that our employees are provided with an enabling environment for growth and higher levels of contribution.

CAUTIONARY STATEMENT

Statements in Management Discussion and Analysis reporting the company's objectives, projections, estimates and expectation may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.