



# ANNUAL REPORT 2011-12



*Euro  
Finmart Limited*

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

### **BOARD LEVEL COMMITTEES**

#### **I AUDIT COMMITTEE**

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

#### **II SHARE TRANSFER & SHAREHOLDERS' INVESTORS' GRIEVANCE COMMITTEE**

Mr. Yash Jeet Basrar	Chairman
Mr. Rajbir Singh Makhni	Member
Mr. Sunil Kumar Gupta	Member

#### **III REMUNERATION COMMITTEE**

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

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Ashish Kumar

### **REGISTERED AND CORPORATE OFFICE**

291, Anarkali Complex, Jhandewalan Extension,  
New Delhi-110 055

Tel: 91-11-43560061

Fax: 91-11-43560061

Website: [www.eurofin.in](http://www.eurofin.in)

Investor Helpdesk: [investor@eurofin.in](mailto:investor@eurofin.in)

### **STATUTORY AUDITORS**

M/s Krishan K. Gupta & Company

Chartered Accountants

1/3-10196, Devi Mandir Lane,  
Jhandewalan, New Delhi – 110 055

### **REGISTRAR & SHARE TRANSFER AGENT**

Alankit Assignments Limited

“Alankit House”, 2E/ 21, Jhandewalan Extension,  
New Delhi - 110 055, Tel: 91-11-42541234

## **NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 23<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF EURO FINMART LIMITED WILL BE HELD ON FRIDAY THE 28<sup>TH</sup> DAY OF SEPTEMBER, 2012 AT 11.00 A.M. AT 3E/9, FIRST FLOOR, JHANDEWALAN EXTENSION, NEW DELHI-110 055, TO TRANSACT THE FOLLOWING BUSINESSES:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashvarya Kumar Maheshwari who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint M/s. Krishan K. Gupta & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as the Board may decide.

BY ORDER OF THE BOARD OF DIRECTORS  
For **EURO FINMART LIMITED**

-Sd/-

**Ashish Kumar**  
Company Secretary

**DATED: 10<sup>th</sup> August, 2012**

**PLACE: New Delhi**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrar and Share Transfer Agent, M/s. Alankit Assignments Limited. These changes will be automatically reflected in the company records which help the company to provide efficient and better services to the members.
3. 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 up to the date of Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed on 21<sup>st</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
5. Members/proxies should bring their copy of the Annual Report for reference at the meeting along with the attendance slip duly filled in for attending the meeting.
6. 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.
7. The communication address of our Registrar and Share Transfer Agent (RTA) is Alankit Assignments Limited having its Corporate Office at “Alankit House”, 2E/21, Jhandewalan Extension, New Delhi-110055.
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](http://www.eurofin.in)
9. The Company has implemented the “Green Initiative” as per circular Nos. 17/2011 dated April 21, 2011 and 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 the 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, auditor's report, etc. will also be displayed on the website [www.eurofin.in](http://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 & Share Transfer Agent of the Company at the address mentioned in note no. 7 above.

## **DIRECTORS' REPORT**

To  
The Members,  
**Euro Finmart Limited**

Your Directors have pleasure in placing before you the 23<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2012.

### **OVERVIEW**

The Company mainly engaged in business of selling or buying or subscribing to or dealing in shares and commodities, trading business and its related correspondence activities. It is also acting as advisors and consultants on all matters and problems relating to corporates, departments & services of Govt., Public, Local and other various authorities to corporates and other body corporates. The Company has been provisionally accredited as Smart Card Service provider by Quality Council of India. The Company has applied for Empanelment as Enrolment Agency for enrolment of residents of India to UIDAI. The Company is also taking part in tenders relating to e-Governance business.

### **FINANCIAL HIGHLIGHTS**

The Financial results of the Company for the year under review along with figures for the previous year are as follows:

Particulars	Financial year ended on 31-03- 2012 (₹)	Financial year ended on 31-03- 2011 (₹)
Total Revenue/Income	125,579,000	36,971,930
Total Expenditure	120,655,572	33,044,977
Profit before Taxation	4,923,428	3,926,953
Provision for Taxation	(853,282)	(687,504)
Profit After Taxation	4,070,146	3,239,449

### **REVIEW OF OPERATIONS & FUTURE PROSPECTS**

During the year under review, there was a significant increase in Gross Revenue due to better effort of organizational staff. Profit after Tax was also increased by 26% from last year. During the year under review, your Company was engaged in expansion of various Business Activities and indulged in the process of optimizing the available resources of the Company. The management of the Company is pleased to inform you that the Company is planning to strengthen the operations of the Company by taking new projects of various Government Authorities and Departments. We hope that the projects will enhance the operations and increase the opportunities for the Company.

During the period under review, the Company has also applied to Quality Council of India for accreditation as Approved Smart Card Service Provider (SCSP) and has been awarded the Provisional Certificate by QCI. The Company has also applied for empanelment as Enrolment Agency for UID Project. The Company will also take advantage from this and increase its operations into the field of E-governance and other allied sectors.

### **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, 2012.

### **CAPITAL STRUCTURE**

The Authorized Share Capital of the Company is ₹ 50,000,000 (Rupees Five Crores only) divided into 5,000,000 (Fifty Lacs)

Equity Shares of ₹10/- (Rupees Ten only) each. During the year Paid up Share Capital of the Company is increased from ₹ 9,695,810 (Rupees Ninety Six Lacs Ninety Five Thousand Eight Hundred Ten) to ₹ 48,479,050 (₹ Four Crores Eighty Four Lacs Seventy Nine Thousand Fifty only).

### **ISSUE OF BONUS SHARES**

During the year, the Company has allotted 3,878,324 Equity Shares of the Company as Bonus Shares in the ratio of 4 (Four) fully paid up Equity Shares of ₹ 10/- each for every 1 (One) Equity Share of ₹ 10/- each on 19<sup>th</sup> October, 2011.

### **DIRECTORS**

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

### **PUBLIC DEPOSIT**

During the year, your Company has not accepted any Deposit under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

### **PARTICULARS OF EMPLOYEES**

None of the employees of the company were in receipt of remuneration exceeding the limit as prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year.

### **BOARD COMMITTEES**

The Company has constituted three Committees viz. Audit Committee, Remuneration Committee and Share Transfer & Shareholders'/Investors' Grievance Committee for smooth operations of the Company.

### **FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year, the Company has not earned and spent anything in Foreign Exchange.

### **RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

Since the Company is not involved in manufacturing activity, hence the research & development and technology absorption is not applicable.

### **CONSERVATION OF ENERGY**

The Company is engaged in providing financial and e-governance services and such operations do not account for substantial energy consumption. However, the company is taking all possible measures to conserve the energy.

The management issues circulars regularly on the corporate interest to the employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

### **LISTING WITH STOCK EXCHANGES**

Equity Shares of the Company are listed on Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE). The Company has paid Annual Listing Fees for the Financial Year 2011-2012 to BSE and DSE and Annual Custody Fee to National Securities Depository Limited (NSDL). As the Shares are not traded in the Delhi Stock Exchange, the benefit accruing to the investors by keeping the equity shares of the Company listed on DSE, are not commensurate with the cost incurred by the Company for the continued listing and will not provide any significant tangible advantage to the shareholders of the Company. Accordingly, the matter of delisting of equity shares from Delhi Stock Exchange was approved by the Board of Directors at their meeting held on 10th August, 2012. The equity shares of the Company will continue to be listed on BSE. The Company has also applied for admission of Equity Shares to Central Depository Services (India) Limited.

### **CORPORATE SOCIAL RESPONSIBILITY**

During the year, your Company continued the affirmative action and Corporate Social Responsibility in various fields.



**CODE OF CONDUCT**

The Company continues to place emphasis on inclusive growth and has adopted a voluntary code of conduct for affirmative action.

**AUDITORS' REPORT**

There is no adverse remark or qualification in the Auditors' Report and therefore no comments are required under Section 217 of the Companies Act, 1956.

**EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS**

The Directors of your Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholders' value. The Board reviews and approves management's strategic plan & business objectives and monitors the Company's strategic direction.

The Board provides and critically evaluates strategic direction, management policies and their effectiveness on your Company. Their remit is also to ensure that the long-term interests of the shareholders are being served.

Independent Directors are appointed not merely to fulfill the statutory requirements but for their diverse skills and experience as well as the external objectivity that each of them bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions. The Board of Directors is at the core of your company's corporate governance practice and oversees how the management serves and protects the long term interests of the stakeholders. Your Directors believe that an active, well informed and independent Board is necessary to ensure highest standards of corporate governance.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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 at March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii) the Directors have 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 of the Company on a 'going concern' basis.

**AUDITORS**

During the year under review, M/s Krishan K. Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Board recommends M/s Krishan K. Gupta & Co., Chartered Accountants, to continue as Statutory Auditors of the Company for the financial year 2012-13.

**TRANSFER TO RESERVES IN TERMS OF SECTION 217 (1)(B) OF THE COMPANIES ACT, 1956**

For the financial year ended 31<sup>st</sup> March, 2012, the Company has not transfer any sum to reserves. Therefore, your Company proposes to transfer the entire amount of profit to Statement of Profit and Loss of the Company.



**DISCLOSURES UNDER SECTION 217(1)(D) OF THE COMPANIES ACT, 1956**

The process of Amalgamation of Europlus Financial Services Limited, Euro Global Reinsurance Brokers Limited, Alankit Life Care Limited and Faith Business Advisors Limited (Transferor Companies) with Euro Finmart Limited (Transferee Companies) was initiated. But one of the Transferor Company viz. Alankit Life Care Limited has not been able to get the requisite No Objection Certificate (NOC) from its secured creditors i.e. Banker's of the Company to the aforesaid proposed amalgamation of the company with Euro Finmart Ltd. Therefore Board of Directors of Euro Finmart Limited has decided to withdraw the matter at their meeting held on 16<sup>th</sup> July, 2012.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to the Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is included in a separate section forming part of the Annual Report.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation and thanks for the support extended by SEBI, NSDL, Stock Exchanges, other Govt. Departments and Bankers to the Company.

BY ORDER OF THE BOARD OF DIRECTORS  
For **EURO FINMART LIMITED**

-Sd/-

**Sunil Kumar Gupta**  
Director

-Sd/-

**Yash Jeet Basrar**  
Director

**DATED: 10<sup>th</sup> August, 2012**

**PLACE: New Delhi**

# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

## **EURO FINMART- AN OVERVIEW**

The Company is in the business of selling or buying or subscribing to or dealing in shares and commodities trading business and its related correspondence activities.

## **INDUSTRIAL OVERVIEW**

The financial services marketplace is more demanding—and less forgiving—than ever before. Customers are savvier, oversight is tighter and competition is intensifying.

Accenture works with many financial services clients worldwide, helping them use our services to transform and optimize their capital markets businesses.

Our **capital markets industry group** helps clients to

- Simplify and differentiate their operating models
- Increase competitiveness
- Implement innovative trading, asset management and wealth management systems and solutions

## **OUTLOOK**

Your Company's activities are guided by the principles of adequate safety, security and prudence and the Company would continue to achieve good results within this ambit. The Company regularly focuses on increasing productivity, cut expenses and profitable lines of business. The Company has to use its resources optimally and work persistently.

Euro Finmart is making efforts to grow and expand its operations by undertaking new projects as well as to overcome all its weaknesses and threats.

## **SWOT ANALYSIS**

### **STRENGTHS**

- Provisionally approved by QCI as Approved Smart Card Service Providers.
- Highly qualified personnel.
- Applied to UIDAI for Empanelment as Enrolment Agency.

### **WEAKNESSES**

- Cut throat competition in the market.
- Market Conditions.

### **OPPORTUNITIES**

- Economy is growing at healthy rate leading to investment/capital requirement.
- Growing Financial Services.
- Various e-Governance Projects.

### **THREATS**

- Rising interest rates.
- Market Slowdown.
- Execution risk.

## **RISK MANAGEMENT**

We are having three key elements for risk management, these are: