



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.in

Investor 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- LevelIT1
- 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.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance for the Financial Year 2010-11 is given below:-

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. Euro Finmart believes in maintaining highest standards of Corporate Governance as a part of its legacy and constitution.

Further the Company believes that good corporate governance consists of a combination of business practices which result in enhancement of the value of the Company to its shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, employees and financiers, and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best efforts to uphold and nurture these core values in all aspects of its operations.

BOARD OF DIRECTORS

The Company is managed by well-qualified professionals. All directors including Non-Executive Directors are suitably qualified, experienced and competent. During the period Mr. Mahabir Parshad Gupta has ceased the directorship of the company w.e.f. 10th February, 2011 and Mr. Yash Basrar has been appointed as an additional Director W.e.f. 10th February, 2011 in independent non-executive category.

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, Mr. Yash Basrar, Mr. Rajbir Singh Makhni & Mr. Sunil Kumar Gupta. 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 Twelve (12) Board meetings were held on 10/04/2010, 14/04/2010, 25/05/2010, 16/06/2010, 25/06/2010, 16/07/2010, 05/08/2010, 01/09/2010, 14/10/2010, 24/12/2010, 10/02/2011, 17/02/2011 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	Mahabir Parshad Gupta *	Director	11	Independent Director
3	Sunil Kumar Gupta	Director	10	Independent Director
4	Rajbir Singh Makhni	Director	11	Independent Director
5	Yash Basrar	Director	2	Independent Director

* ceased to be director w.e.f 10.02.2011

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:

Mr. Ashvarya Kumar Maheshwari, aged about 57 yrs 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 21 years of experience in Consultancy and Advisory services related to Management & expertise in Corporate.

Mr. Yash Basrar, Independent Director:

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.

Mr. Rajbir Singh Makhni, Independent Director:

Mr. Rajbir Singh Makhni aged about 53 yrs, having rich experience in the field of consultancy and Liaoning matters with the Corporate. He is the Director of the Company since 2008. He is having 21, years of rich experience in Stock & Commodity broking services.

Mr. Sunil Kumar Gupta, Independent Director:

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.

CHANGE OF COMPLIANCE OFFICER

Ms Heena Jain Compliance Officer resigned and in place of her Mr. Ashish Kumar an associate member of ICSI appointed as Compliance Officer w.e.f. 23rd September 2010.

INFORMATION SUPPLIED TO THE BOARD

The Company sends a detailed agenda folder to each Director sufficiently before Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the chairman apprises the Board at every meeting on the overall performance of the Company, followed by the detailed presentation. A detailed functional report is also placed at Board Meetings. The Board provides the overall s-strategic direction and periodically reviews strategy and business plans, annual operating and capital expenditure budgets and oversees the actions and results of the management to ensure that the long term objectives of enhancing shareholders' value are met. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly/half-yearly/annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level, including the Compliance Officer.

The Board periodically reviews Status of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any.

COMMITTEES OF THE BOARD:-

Your Company has three major Board level Committees –

- i) Audit Committee;
- ii) Remuneration Committee;
- iii) Share transfer & shareholders/ investors grievance committee;

i) 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, Mr. Rajbir Singh Makhni and Mr. Ashvarya Kumar Maheshwari. The Company Secretary is the Secretary of the Committee.

Mr. Mahabir Parshad Gupta ceased to be Director of the company, the Committee was re-constituted on 17.02.2011 and now headed by Mr. Rajbir Singh Makhni as Chairman, Mr. Sunil Kumar Gupta 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.

The Committee met 6 times during the year on 10/04/2010, 25/05/2010, 05/08/2010, 14/10/2010, 10/02/2011 and 17/02/2011. The gap between two meetings was not more than four months.

The attendance record of the members is as follows:

Name of the Director	Status of Director	No. of meetings held	No. of meetings attended
Ashvarya Kumar Maheshwari	Promoter Director	6	6
Mahabir Parshad Gupta *	Independent Director	6	5
Independent Director Sunil Kumar Gupta	Independent Director	6	1
Rajbir Singh Makhni	Independent Director	6	6

ii) 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. Ashvarya Kumar Maheshwari, and Mr. Mahabir Parshad Gupta. The Company Secretary is the Secretary of the Committee.

Mr. Mahabir Parshad Gupta ceased to be the Director of the company; the committee was re-constituted on dated 17.02.2011 and now headed by Mr. Rajbir Singh Makhni, Mr. Ashvarya Kumar Maheshwari and Mr. Sunil Kumar Gupta.

As on date there are no directors who are drawing remuneration from the Company no meeting was held during the financial year ended on 31.03.2011.

iii) 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. Mr. Mahabir Parshad Gupta ceased to be the Director of the Company; the committee was re-constituted on 17.02.2011. It is now headed by Mr. Rajbir Singh Makhni, Mr. Sunil Kumar Gupta and Mr. Yash Basrar 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. Sunil Kumar 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.

The Committee met 5 times during the year on 24/05/2010, 04/08/2010, 13/10/2010, 10/02/2011 and 17.02.2011. The gap between two meetings was not more than four months.

The attendance record of the members is as follows:

Name of the Director	Status of Director	No. of meetings held	No. of meetings attended
Mahabir Parshad Gupta *	Independent Director	5	4
Rajbir Singh Makhni	Independent Director	5	5
Sunil Kumar Gupta	Independent Director	5	1
Yash Basrar	Independent Director	5	1

* ceased to be director w.e.f 10.02.2011

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
21st AGM	25th June, 2010	291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055	10:00 A.M.	1
20th AGM	20th August, 2009	291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055	10:00 A.M.	1
19th AGM	18th August, 2008	2E/16, Jhandewalan Extension, New Delhi-110055	10:00 A.M.	1

One Preference Shareholders meeting on shorter notice was held on 3rd January, 2011 in which Preference Shareholders approved the resolution for the conversion of their Preference Shares into Equity Shares.

One Extra Ordinary General Meeting was held on 24th January, 2011 in which the authorized share capital of the company was re-classified by cancellation of 49,00,000 (Forty Nine Lacs) 6% Non-convertible Preference Shares of Rs 10/- (Rupees Ten) each and 49,00,000 (Forty Nine Lacs) Equity Shares of Rs 10/- (Rupees Ten) each was created.

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. 5, 00, 00,000/- (Rupees Five Crores only) divided into 50, 00,000 (Fifty Lacs) Equity Shares of Rs.10/- each."

Further the members authorized the Board to issue, offer and allot up to 9,15,875 (Nine Lacs Fifteen Thousand Eight Hundred and Seventy Five) Equity Shares of Rs.10/- each to the persons belonging to Non-Promoter Group 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.

DISCLOSURE:-

1. Related parties & transaction with them as required under Accounting Standard 18 (AS- 18) are furnished as item No.10 of Part B of Schedule 13 relating to Significant & Accounting Policies and Notes on Accounts attached to & forming part of Balance Sheet & Profit & Loss Account for the period ended 31.03.2011

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.
& 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.

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.

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.

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

This refers to the Circular No.17/2011 dt. 21.4.2011 and No.18/2011 dt. 29.04.2011 issued by Ministry of Corporate Affairs ("MCA") titled "Green Initiative in the Corporate Governance" vide which MCA has allowed the service of documents on members by a company through electronic mode. The move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards a Greener Environment. Your company also participated in Green Initiative Process to ensure prompt receipt of communication and avoid loss in postal transit and thus serve the shareholders better.

SHAREHOLDERS' INFORMATION:-

Annual General Meeting	:	22nd Annual General Meeting
Day Date	:	Thursday, 15th September 2011
Location	:	291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055
Time	:	10:00 A.M.

Date of Book Closure

Thursday, 8th September 2011 to Thursday, 15th September 2011

Listing on Stock Exchanges:

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

Stock Code

ISIN No.	:	INE914E01024
Scrip Code	:	531082 at Bombay Stock Exchange
Scrip Code	:	7071 at Delhi Stock Exchange

Capital Structure

As on 31.03.2011, 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. The shareholding pattern of the Company as on 31.03.2011 is as follows:

Category	No. of shares held	Percentage of Shareholding
A Promoter's Group		
1. Promoters - Indian Promoters	21286	2.20
- Foreign Promoters	444	0.04
2. Persons acting in concert	-	-
Sub-Total	21730	2.24
B Non-Promoter's Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	290	0.03
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-government Institutions)		
c. FIIs		
Sub- Total	290	0.03
4. Others		
a. Private Corporate Bodies	197266	20.35
b. Indian Public	746145	76.96
c. NRIs	3950	0.41
d. OCBs	200	0.02
Any other (please specify)		
Sub-Total	947561	97.73
GRAND TOTAL (1+2+3+4)	969581	100

DISTRIBUTION OF SCHEDULE

(To be made out for each class of security)

Euro Finmart Limited

Distribution of Equity Shares (Kind of Security) as on 31.03.2011

Total nominal value 96,95,810 Nominal value of each share/unit Rs. 10/-

Total Number of shares/units 9,69,581 Paid up value per share/unit Rs. 10/-

Distinctive Nos from 1 to 969581

DISTRIBUTION OF HOLDINGS

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF	SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE IN NUMBER	
	Rs.	Number	% to Total	Rs.
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	1185	97.53	287920	2.97
5,001 - 10,000	1	0.08	6600	0.07
10,001 - 20,000	4	0.41	62120	0.64
20,001 - 30,000	0	0.00	0	0.00

30,001 - 40,000	1	0.08	34500	0.36
40,001 - 50,000	2	0.16	83820	0.86
50,001 - 1,00,000	6	0.49	501310	5.17
1,00,001 and above	15	1.23	8719540	89.93
TOTAL	1214	100.00	9695810	100.00

Market Price Data

The Company's equity shares are listed at Bombay Stock Exchange (BSE), & Delhi Stock Exchange Association Ltd. (DSE).

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades (Rs.)	Total Turnover	Spread High-Low	Spread Close-Open
Jul-10	4	52.5	4	52.5	400	3	15650	48.5	48.5
Aug-10	55.1	55.1	55.1	55.1	100	1	5510	0	0

Dematerialisation of Shares

Company has an agreement with NSDL only whereby the shareholders have the option to dematerialize their shares.

Status of Issued Share Capital as on 31.03.2011

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	879466	90.71
Physical Form	90115	9.29
Total	969581	100

Registered office

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

REGISTRAR AND SHARE TRANSFER AGENT

M/s Alankit Assignments Limited.

Alankit House

2E/21, Jhandewalan Extension,

New Delhi-110055

Phone: 011-42541234

Fax: 011- 42541967

INVESTORS' CORRESPONDENCE MAY BE ADDRESSED TO:

Mr. Ashish Kumar

Compliance Officer and Company Secretary

Euro Finmart Limited

291, Anarkali Complex, Jhandewalan Extension,

New Delhi-110055

Tel: 91 11 23327225, 23328280

Fax: 91 11 23716655

Website: www.eurofin.in

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

I, Rajbir Singh Makhni, Director of the Company Certify to the Board that:

- a) I have reviewed Balance Sheet, the Profit and Loss Account and the Cash Flow statement for the period ended 31.03.2011 and that to the best of my knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the period which is fraudulent, illegal or volatile of the company's code of conduct.
- b) Further, I accept responsibility for establish and maintain internal controls for financial reporting and Accordingly, I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, wherever applicable:
- I. Deficiencies in the design or operation of the internal controls, if any of which I am aware and the steps have been taken or propose to take rectify these deficiencies.
 - II. Significant changes in the internal control over the financial reporting during the period;
 - III. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
 - IV. Instances of significant fraud of which I became and involvement therein, if any, of the management or an employee having a significant in the Company's internal control system.

By Order of the Board of Directors

For Euro Finmart Limited

-sd/-

Rajbir Singh Makhni

Director

Place : New Delhi

Date : 10.08.2011

DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Board Members and Senior Management of the Company have affirmed their compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2011.

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

**-sd/-
Rajbir Singh Makhni
Director**

**Place : New Delhi
Date : 10.08.2011**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members

Euro Finmart Limited

We have examined the compliance of conditions of Corporate Governance by Euro Finmart Limited ("The Company") for the period ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Krishan K. Gupta & Co.**
Chartered Accountants

-sd/-
(Krishan Kumar)
Proprietor
Membership No. 8311

Place : New Delhi
Date : 27.05.2011

AUDITORS' REPORT

The Members
EURO FINMART LIMITED
New Delhi.

We have audited the annexed Balance Sheet of EURO FINMART LIMITED as at March 31, 2011 and also the Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matter specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to be best of our knowledge and belief were necessary for the purposes of our audit:
 - b) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books:
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account:
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in Sub-section (3C) of section 211 of the Companies Act, 1956:
 - e) On the basis of written representation, received from Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the matter so as required and present a true and fair view, in conformity with the accounting principles generally, accepted in India.
 - i) In so far as it relates to Balance Sheet, of the affairs of the Company as at March 31, 2011:
 - ii) In so far as it relates to the Profit and Loss account, of the profit of the Company for the year ended as that date: and
 - iii) In so far as it relates to the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For **Krishan K. Gupta & Co.**
Chartered Accountants

-sd/-
(Krishan Kumar)
Proprietor
Membership No. 8311

Place : New Delhi
Date : 27.05.2011

ANNEXURE TO AUDITORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011**Referred to in Paragraph 2 of our report of even date**

1. In respect of its fixed assets:
 - a. The company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory, as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. On the basis of the records of the company, the followings are the particulars of loan taken by the company from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956;

Name of Party	Relationship with Company	Maximum Amount Rs.	Year end Balance Rs.
Diwakar Commercials Pvt. Ltd.	Associate Company	2,355,000.00	16,676,628.00
 - b. On the basis of the records of the company, the followings are the particulars of loan granted by the company to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
6. In respect of transactions covered Under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained Under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000 (Rupees Five Lacs only) or more in respect of any party.
7. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
8. In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
9. In our opinion and as per information given to us, the Central Government has not prescribed maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacturing activities, if any, of the company.
10. In respect of statutory dues:
 - a. In our opinion and according to the information and explanations given to us, the provisions of Provident Fund Act and Employees

State Insurance Act not are applicable to the company.

- b. In our opinion and according to the information and explanations given to us, the company has no disputed dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty/Cess Payable, which have not been deposited.
11. The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediate preceding financial year.
12. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
13. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanation given to us, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has invested its funds in shares, debentures and other securities.
16. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
17. The company has not raised any new term loans during the year. There were no term loans outstanding at the beginning of the year, which could have been applied for the purposes for which they were obtained.
18. During the year, the company has made allotment of Preference Shares to parties and companies in the Register maintained Under Section 301 of the Companies Act, 1956.
19. The company has not raised any money by way of public issue during the year.
20. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For **Krishan K. Gupta & Co.**
Chartered Accountants

-sd/-
(Krishan Kumar)
Proprietor
Membership No. 8311

Place : New Delhi
Date : 27.05.2011

BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	31st March 2011 (Rs.)	31st March 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	9,695,810	49,537,060
Reserve and Surplus	2	47,984,614	4,904,602
TOTAL		57,680,424	54,441,662
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	6,895,022	1,544,922
Less: Depreciation		(-) 1,513,411	(-) 1,501,832
NET BLOCK		5,381,611	43,090
INVESTMENTS	4	3,632,257	5,084,858
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	5	10,821,476	16,029,374
Sundry Debtors		12,338,598	1,539,752
Cash and Bank Balances		1,220,269	13,862,415
Loans and Advances		22,334,275	14,601,597
		46,714,618	46,033,138
Less: CURRENT LIABILITIES & PROVISIONS	6	(-) 969,219	(-) 16,545
Net Current Assets / (Liabilities)		45,745,399	(-)46,016,593
MISCELLANEOUS EXPENDITURE	7	2,921,157	3,297,121
(To the extent not written off or adjusted)			
TOTAL		57,680,424	54,441,662
Significant Accounting Policies and Notes to Accounts	13		

This is the Balance Sheet referred to in our report of even date

The Schedules referred to above form an integral part of the Balance Sheet

-sd/-

(K.K. GUPTA)

Prop. (M. No. 8311)

FRN- 000009N

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

For and on behalf of the Board of Directors

-sd/-

Rajbir Singh Makhni
Director

-sd/-

Sunil Kumar Gupta
Director

-sd/-

Ashish Kumar
Company Secretary

Place : New Delhi

Date : 27.05.2011

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING MARCH 31, 2011

	SCHEDULE	31st March 2011 (Rs.)	31st March 2010 (Rs.)
INCOME			
Sales / Operating Income		17,509,911	49,148,054
Operating Income		14,950,000	7,200,000
Other Income	8	5,518,226	14,076,324
TOTAL		<u>37,978,137</u>	<u>70,424,378</u>
EXPENDITURE			
Cost of Sales	9	21,762,461	63,141,289
Operating Expenses		10,800,000	4,100,000
Establishment	10	520,176	371,760
Administrative & Other Expenses	11	433,712	364,363
Financial Expenses	12	147,292	5,395
Miscellaneous Expenditure Written Off	7	375,964	375,964
Depreciation	3	11,579	100,156
TOTAL		<u>34,051,184</u>	<u>68,458,927</u>
Profit before Taxation		3,926,953	1,965,451
Provision for Taxation		(-) 687,504	(-) 277,200
Profit after Taxation		3,239,449	1,688,251
Balance Brought Forward from Previous Year		2,542,458	854,207
Balance Carried Over to Balance Sheet		<u>5,781,907</u>	<u>2,542,458</u>

Significant Accounting Policies and Notes of Account 13

This is the Trading and Profit & Loss Account
Referred to in our report of even date

The Schedules referred to above form an integral
part of the Trading and Profit & Loss Account

-sd/-

(K.K. GUPTA)

Prop. (M. No. 8311)

FRN - 000009N

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

For and on behalf of the Board of Directors

-sd/-

Rajbir Singh Makhni
Director

-sd/-

Sunil Kumar Gupta
Director

-sd/-

Ashish Kumar
Company Secretary

Place : New Delhi

Date : 27.05.2011

SCHEDULES

Schedules 1 to 13 annexed to and forming part of the accounts.

**31st March
2011 (Rs.)****31st March
2010 (Rs.)****SCHEDULE 1 - SHARE CAPITAL**

AUTHORISED CAPITAL

5000000 (P.Y. 100000) Equity Shares of ` 10/- each

50,000,000

1,000,000

4900000 - 6% Non Convertible Preference Shares of ` 10/- each

49,000,000

50,000,00050,000,000

ISSUED, SUBSCRIBED AND PAID UP

969581 (P.Y. 53706) Equity Shares of ` 10/- each fully paid up

9,695,810

537,060

4900000 - 6% Non Convertible Preference Shares of ` 10/- each

49,000,000

9,695,81049,537,060**SCHEDULE 2 - RESERVES AND SURPLUS**

A. GENERAL RESERVE

Balance as per Last year

50,660

50,660

B. SHARE PREMIUM ACCOUNT

Balance as per Last year

2,311,482

2,311,482

Add: Addition during the year

39,840,563

42,152,0452,311,482

C. PROFIT & LOSS ACCOUNT

Opening Balance

2,542,460

854,209

Add: Profit for the year

3,239,449

1,688,251

5,781,9092,542,46047,984,6144,904,602**SCHEDULE 3 - OF FIXED ASSETS AS AT MARCH 31, 2011**

Straight Line Method

Particulars	Cost as 01-04-2010	Additions during the year	Sale during the year	Cost as on 31-03-2010	Depreciation upto 31-03-2010	Depreciation for the year	Adjustment for the year	Depreciation upto 31-03-2011	W.D.V. as on 31-03-2011	W.D.V. as on 31-03-2010
Furniture & Fixtures	1,454,428	---	---	1,454,428	1,450,068	4,359	---	1,454,427	1	4,360
Agricultural Land	---	5,350,100	---	5,350,100	---	---	---	---	5,350,100	---
Fingure Print Scanner	---	1,220,000	1,220,000	---	---	---	---	---	---	---
Electric Installations	75,344	---	---	75,344	43,676	4,764	---	48,440	26,904	31,668
Computer	15,150	---	---	15,150	8,088	2,456	---	10,544	4,606	7,062
TOTAL	1,544,922	6,570,100	1,220,000	6,895,022	1,501,832	11,579	---	1,513,411	5,381,611	43,090

SCHEDULE 4 - INVESTMENTS (At Cost)**Quoted - Non Trade**

10 Fully paid Equity Shares of PNB Gilts Ltd.

240

240

10000 Fully paid Equity Shares of Mahindra Satyam Comp. Ltd.

830,000

1,245,001

2 Fully paid Equity Share of Reliance Industries Ltd.

2,017

2,017

832,2571,247,258**Non-Quoted - Non Trade**

90000 Fully paid Equity Share of Genins India Ltd.

900,000

900,000

Nil Fully paid Equity Share of Atoll Vyapaar Pvt. Ltd.

163,200

Nil Fully paid Equity Share of Rasraj Marketing Pvt. Ltd.

387,000

30000 Fully paid Equity Share of Vikas Promotors Pvt. Ltd.

1,500,000

1,500,000

400000 Fully paid Equity Share of Pratishtha Images Pvt. Ltd.

400,000

400,000

Nil Fully paid Equity Share of Moonlite Technochem Pvt. Ltd.

487,400

3,632,2575,084,858

	31st March 2011 (Rs.)	31st March 2010 (Rs.)
SCHEDULE 5 - CURRENT ASSETS, LOANS AND ADVANCES		
Inventories (As per inventory taken, valued & certified by the Management) (At cost or market value, whichever is lower)		
Shares & Securities	<u>10,821,476</u>	<u>16,029,374</u>
Sundry Debtors (Unsecured, Considered Good for Recovery by the Management) Exceeding 6 Months	70,000	1,539,752
Others	<u>12,268,598</u>	<u>---</u>
	<u>12,338,598</u>	<u>1,539,752</u>
Cash and Bank Balances		
Cash in Hand	352,507	17,971
With Scheduled Banks in Current Account	867,762	3,844,444
Fixed Deposit with Vijaya Bank	<u>---</u>	<u>10,000,000</u>
	<u>1,220,269</u>	<u>13,862,415</u>
Loans and Advances (Unsecured, Considered Good for Recovery by the Management)		
Loans & Advances	20,525,813	13,857,092
Advances Recoverable in cash or in kind or for value to be received	<u>1,808,462</u>	<u>744,505</u>
	<u>22,334,275</u>	<u>14,601,597</u>
SCHEDULE 6 - CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	342,676	---
Expenses Payable	<u>626,543</u>	<u>16,545</u>
	<u>969,219</u>	<u>16,545</u>
SCHEDULE 7 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Project Promotion Expenses	754,270	838,078
Less: Written Off (10%)	(-) 83,808	(-) 83,808
Preliminary Expenses	<u>69,243</u>	86,554
Less: Written Off (20%)	(-) 17,311	(-) 17,311
Share Issue Expenses	2,473,608	2,748,453
Less: Written Off (10%)	(-) 274,845	274,845
	<u>2,198,763</u>	<u>274,845</u>
	<u>2,921,157</u>	<u>3,297,121</u>
SCHEDULE 8 - OTHER INCOME		
* Interest Income	2,041,990	602,325
Profit on Sale of Investments (Unquoted)	2,197,500	---
Profit on Sale of Investments (Quoted)	53,798	---
Profit on Trading in Commodities	1,006,207	13,312,671
Profit on Sale of Assets	<u>---</u>	<u>7,617</u>
Dividend	218,731	153,711
	<u>5,518,226</u>	<u>14,076,324</u>

SCHEDULE 9 - COST OF SALES	31st March 2011(Rs.)	31st March 2010(Rs.)
Stocks in Hand (Opening)	16,029,374	---
Purchases	12,140,099	69,076,288
Trading in Shares	4,414,464	10,094,375
	<u>32,583,937</u>	<u>79,170,663</u>
Less: Stocks in Hand (Closing)	(-) 10,821,476	(-) 16,029,374
	<u>21,762,461</u>	<u>63,141,289</u>

SCHEDULE 10 - ESTABLISHMENT

Salary & Wages	489,054	347,198
Staff Welfare	31,122	24,562
	<u>520,176</u>	<u>371,760</u>

SCHEDULE 11 - ADMINISTRATIVE & OTHER EXPENSES

Printing & Stationery	53,515	49,266
Communication Expenses	12,150	10,74
Demat Charges	4,849	1,718
General Charges	11,018	1,025
Payment to Auditors'		
Audit Fee	15,000	16,545
Taxation Matters	---	---
Fee & Subscription	217,349	252,241
Advertisement	14,831	10,828
Legal & Professional Charges	105,000	22,000
	<u>433,712</u>	<u>364,363</u>

SCHEDULE 12 - FINANCIAL EXPENSES

Bank Charges	28,873	5,395
Interest	118,419	---
	<u>147,292</u>	<u>5,395</u>

SCHEDULE - 13: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2011

A. ACCOUNTING POLICIES

- a) **Accounting Convention:** The accompanying financial statements have been prepared in accordance with the historical cost convention.
- b) **Fixed Assets:** These are stated at cost less Depreciation. Cost comprises purchase price, import duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
- c) **Depreciation:** The Depreciation on fixed assets is provided on prorata basis, from the date the assets have been installed and put to use on a Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- d) **Inventories:** The company holds inventories in the shape of shares and securities and the same have been verified by the management. The valuation of the same has been considered at cost or market value whichever is lower.
- e) **Retirement Benefits:** Provision for gratuity and leave encashment has not been made. The same will be dealt with as and when paid. However, the amount of gratuity liability as on 31-03-2011 comes to Rs. Nil (P.Y. Rs. Nil) and leave encashment comes to Rs. Nil (P.Y. Rs. Nil)
- f) **Investments:** Long Term Investments (Quoted & Unquoted) are stated at cost. Provision for appreciation/diminution in the book value of the investment have not been made since, in the opinion of the management, the same is temporary in nature.
- g) **Foreign Currency Transaction:** : During the year, neither any outgo nor any inflow of foreign currency has taken place.
- h) **Prior Period Adjustments, Extra-Ordinary Items and Changes in Accounting Policies:** Prior period adjustments, Extra-Ordinary Items and changes in accounting policies having material impact on the financial affairs of the company are disclosed.
- i) **Contingent Liabilities:** No provision has been made in the accounts for liabilities, which are contingent in nature, but if material, the same are disclosed by way of Notes to Accounts.

B. NOTES TO ACCOUNTS

1. Figures of previous year have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.
2. Preliminary expenses incurred upto March 31, 1998 are amortized over a period of ten years and thereafter expenses incurred be amortized over a period of five years. However, Project Promotion Expenses and Share Issue Expenses under the head Miscellaneous Expenditure are being written off over a period of ten years in equal installments. These expenses have not been adjusted during in the past several years due to losses and keeping in view the current year profits, the same has been amortized during the year under report.
3. **MANAGERIAL REMUNERATION – NIL**
4. The information as required by para 3 & 4 of part II of Schedule VI of the Companies Act, 1956:

(A) PARTICULARS OF LICENCED/INSTALLED CAPACITY/PORDUCTION –

Since the company is trading in shares, securities and derivatives, the same is not applicable.

(B) EARNING IN FOREIGN EXCHANGE

	Current Year	Previous Year
F.O.B. Value of Exports	NIL	NIL

5. CONTINGENT LIABILITIES

Bank Guarantee, Counter guarantee for Guarantee issued by bank	NIL	NIL
--	-----	-----

6. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs. Nil (P.Y. Rs. NIL).

7. PROVISION FOR TAXATION

Provision for taxation under Income Tax Act, 1961 has been made under the provisions of section 115-JB of Income Tax Act, 1961, relating to Minimum Alternative Tax (MAT).

8. BONUS

The Company has not provided any bonus for the year under report; the same shall be accounted for as and when paid.

9. Related Party disclosures as required by AS – 18 "Related Party Disclosures" –

Key Management Personnel	Director Director Director Director	Mr. Yash Basrar Mr. Sunil Kumar Gupta Mr. Rajbir Singh Makhni Mr. Ashvarya Kumar Maheshwari Diwakar Commercials Pvt. Ltd.
Associate Company		

	Key Management Personnel		Associate Companies	
	Current Year (Rs.)	Previous Year (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
Advance from Customers				
Opening Balance	---	---	---	3,733,148
Amount taken	---	---	---	9,400,000
Amount repaid/adjusted	---	---	---	13,133,148
Closing Balance	---	---	---	---
Loans & Advances (Assets)				
Opening Balance	---	---	---	---
Amount given				
(including accrued interest)	---	---	44,866,628	3,176,852
Amount received/adjusted				
(including accrued interest)	---	---	28,190,000	3,176,852
Closing Balance	---	---	16,676,628	---

10. ACCOUNTING FOR TAXES ON INCOME

As a matter of prudence, company is not recognizing the deferred tax asset/liability as provided by the Accounting Standard – 22.

11. During the year under report, the company has allotted 9,15,875 Equity Shares to the Preference shareholders on conversion of 49,000,000 preference shares held by the persons belonging to non-promoters group and the same has been approved by the shareholders of the company and various statutory authorities.

SCHEDULES TO PROFIT & LOSS ACCOUNT AND BALANCE SHEET (Continued)
BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

1. Registration Details		
Registration No. 36860		State Code: 55
Balance Sheet		31st March, 2011
2. Capital Raised during the year (Amount in Rs. Lacs)		
Public Issue		Nil
Rights Issue		Nil
Bonus Issue		Nil
Private Placement		
3. Position of Mobilisation and Development of Funds (Amount in Rs. Lacs)		
Total Liabilities		576.80
Total Assets		576.80
Sources of Funds		
Paid up Capital		96.96
Reserve & Surplus		479.85
Secured Loans		Nil
Unsecured Loans		Nil
Application of Funds		
Net Fixed Assets		53.82
Investments		36.32
Net Current Assets		457.45
Misc. Expenditure		29.21
Accumulated Losses		Nil
4. Performance of the Company (Amount in Rs. Lacs)		
Turnover (including Other income)		379.78
Total Expenditure		340.51
Profit Before Tax		39.27
Profit After Tax		39.27
Earning per share in Rs.		3.34
Dividend Rate %		Nil
5. Generic Names of Three Principal Products/Services of Company (as per monetary terms)		
Item Code No. (ITC Code)		0808
Product Description		Financial Service Sector
Item Code No. (ITC Code)		0714
Product Description		Service Sector - Others
Item Code No. (ITC Code)		NIL
Product Description		

For and on behalf of the Board of Directors

-sd/-	-sd/-	-sd/-
Rajbir Singh Makhni	Sunil Kumar Gupta	Ashish Kumar
Director	Director	Company Secretary

Place : New Delhi
Date : 27.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	31st March 2011 (Rs.)	31st March 2010 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	3,926,953	1,965,451
Adjusted for :		
Depreciation	11,579	100,156
Preliminary and Deferred Revenue Expenditure	375,964	375,964
Provision for Doubtful Debts	---	---
Profit on sale of Investments	(-)2,251,298	---
Profit on sale of Fixed Assets (Net)	---	(-) 7,617
Income Tax for earlier years	---	---
Operating Profit before working capital changes	<u>2,063,168</u>	<u>2,433,954</u>
Adjusted for :		
Current Assets	(-) 13,323,626	(-) 19,865,869
Current Liabilities	<u>952,674</u>	<u>(-) 17,335,324</u>
(Increase)/Decrease in Net Current Assets	<u>(-) 12,370,952</u>	<u>(-) 37,201,193</u>
Cash generated from Operations	(-) 10,307,754	(-) 34,767,239
Taxation	(-) 687,504	(-) 277,200
Income Tax for earlier years	---	---
Cash Flow before Extraordinary Items	(-) 10,995,258	(-) 35,044,439
Extraordinary Items	(-) ---	(-) ---
Net Cash from operating activities	<u>(-) 10,995,258</u>	<u>(-) 35,044,439</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Investments (Net)	1,452,601	(-) 310,783
Investment in Subsidiary Company	---	---
Investment in Application Money	---	---
Purchase of Fixed Assets	(-) 6,570,100	---
Profit on Sale of Investments	2,251,298	---
Sale of Fixed Assets	1,220,000	10,000
Net Cash used in Investing Activities	<u>(-) 1,646,201</u>	<u>(-) 300,783</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	687	49,000,000
Share and Bonds Premium	---	---
Loans borrowed (Net of Repayments)	---	---
Loans lent (Net of Repayments)	---	---
Deferred Expenditure	---	---
Dividend on Preference Share Capital	---	---
Dividend on Equity Share Capital (Including Dividend Tax)	---	---
Net Cash from Financing Activities	687	49,000,000
Net Increase/(Decrease) in cash and Cash Equivalent (A-B-C)	(-) 12,642,146	13,654,778
Cash and Cash equivalent at the beginning of the year	<u>13,862,415</u>	<u>207,637</u>
Cash and Cash equivalent at the close of the year	<u>1,220,26913</u>	<u>862,415</u>

AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of EURO FINMART LIMITED, NEW DELHI derived from the audited financial statements and the books of account maintained by the company for the years ended March 31, 2011 and March 31, 2010 and found the same to be in accordance therewith and also with the requirements of Clause 32 of listing agreements with Stock Exchange.

-sd/-

(K.K. GUPTA)

Prop.

(M. No. 8311)

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

Place : New Delhi

Date : 27-05-2011



EURO FINMART

EURO FINMART LIMITED

Regd. Office: 291, Anarkali Complex, Jhandewalan Extension,
New Delhi-110055

ATTENDANCE SLIP
22nd ANNUAL GENERAL MEETING

To be handed over at the entrance of the meeting venue.

Name of the attending member (In block letters) Mr./Mrs./Miss _____

Name of the proxy (in block letters to be filled in by Proxy attending instead of the member) _____

No. of shares held : _____ Ledger Folio No. : _____

DP Id No.* : _____ Client Id.* : _____

I hereby record my presence at the **TWENTY SECOND ANNUAL GENERAL MEETING** on Thursday, the 15th day of September 2011, at 291, Anarkali Complex, Jhandewalan Extension, New Delhi -110055

Member's Signature _____

Proxy's Signature. _____

Note: 1. Shareholders / proxies are requested to bring the attendance slip with them.

2. Additional/Duplicates attendance slips will not be issued the meeting hall.

*Applicable for investors holding share in electronics form.



EURO FINMART LIMITED

Regd. Office: 291, Anarkali Complex, Jhandewalan Extension,
New Delhi-110055

PROXY FORM

I/we _____ of _____ being a member/Members of **Euro Finmart**

Limited hereby Appoint _____ of _____ as my / our proxy to attend

and vote for me /us on my / our behalf at the **TWENTY SECOND ANNUAL GENERAL MEETING** on Thursday, the 15th day of September 2011, at 291, Anarkali Complex, Jhandewalan Extension, New Delhi -110055 , and at any adjournment thereof.

No. of Shares held: _____ Ledger Folio no. _____



Dp. Id No.* : _____

Client Id.* : _____

Signature: _____

Date : _____

Affix Rs.1

Revenue

Stamp

Note: The Proxy, to be effective, should be deposited at the Company's Registered office not later than 48 Hours before the commencement of aforesaid meeting. Proxy need not be a member of the Company.

* Applicable for investors holding shares in electronic form.

If undelivered, please return to

EURO FINMART LIMITED

Regd. Office: 291, Anarkali Complex,
Jhandewalan Extension, New Delhi-110055