



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

Investor Helpdesk: 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 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF EURO FINMART LIMITED WILL BE HELD ON FRIDAY THE 28TH 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 31st 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: 10th 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 21st September, 2012 to 28th 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
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 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 23rd Annual Report of the Company together with the Audited Accounts for the year ended on 31st 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 19th 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 31st 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 16th 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: 10th 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:

- **Risk Identification**

It includes identify and categorize risks that could affect the project and steps includes documentation of risks. The outcome of risk identification is a list of risks.

- **Risk Mitigation**

It covers efforts taken to reduce either the probability or consequences of a threat. It is also called Risk reduction.

- **Risk Monitoring and Control**

It is the process for tracking identified risks, monitoring residual risks, identifying new risks, executing risk response plans, and evaluating their effectiveness.

INTERNAL CONTROL SYSTEM

The Company has developed a system which helps the Company to achieve its objectives efficiently and effectively. Our Internal control systems are adequate and provide reasonable assurance against misuse or loss of company's assets and provide optimum utilization of available resources of the Company.

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 Human Resource 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 are 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 REPORT

A detailed report on Corporate Governance for the Financial Year 2011-12 is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability. Euro Finmart Limited believes in maintaining high standards of Corporate Governance as a part of its legacy and constitution. Further the Company is also based on the philosophy of fairness, transparency, accountability and dissemination of information which are the basics of Corporate Governance.

The Company is trying to uphold and nurture these core values of Corporate Governance in all respects of its operations. We have undertaken several initiatives towards maintaining the highest standards of Governance.

BOARD OF DIRECTORS

The Board of Directors of the Company have well-qualified professionals. All directors are suitably qualified, well-experienced and very competent.

Composition of Board of Directors

The Company's Board comprises of 4 (Four) Directors, out of these 3 (Three) are Independent. The Company has also constituted three committees namely Audit Committee, Share Transfer and Shareholders'/Investors' Grievance Committee and Remuneration Committee. All the Committees have comprises of majority of Independent Directors.

Directorship in other Companies

S. No.	Name of Directors	Number of Directorship
1	Ashvarya Kumar Maheshwari	NIL
2	Yash Jeet Basrar	Four
3	Rajbir Singh Makhni	Eight
4	Sunil Kumar Gupta	Eight

Appointment & Tenure

The Directors of the Company are appointed by the members at the General Meetings. Directors liable to retire by rotation, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election, in accordance with the Article of Association of the Company.

Board Meetings and Attendance of each Director

During the financial year under review, the Board of Directors met 9 (Nine) times on 27.05.2011, 30.05.2011, 10.08.2011, 30.08.2011, 05.10.2011, 19.10.2011, 03.11.2011, 28.11.2011 and 10.02.2012 and the attendance of each of the Director in the Board Meetings is as follows:

S. No.	Name of Directors	Designation	No. of Board Meetings attended	Status of the Director
1.	Ashvarya Kumar Maheshwari	Director	5	Promoter Director
2.	Rajbir Singh Makhni	Director	6	Independent Director
3.	Sunil Kumar Gupta	Director	9	Independent Director
4.	Yash Jeet Basrar	Director	9	Independent Director

Brief Profile of Mr. Ashvarya Kumar Maheshwari who is re-appointed at the Annual General Meeting:

Mr. Ashvarya Kumar Maheshwari, aged about 58 years is Promoter Director of the Company. The visionary leadership of Mr. Maheshwari has created a multi divisional corporate. He is having 22 years of experience in Consultancy and Advisory services related to Management & expertise in Corporate.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the Board Meetings. The Company Secretary attends all the meeting of the Board and its Committees, advises/assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meeting.

COMMITTEES OF THE BOARD

Your Company has three Committees:

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders'/Investors' Grievance Committee

1. Audit Committee:

Audit Committee of the Board is constituted to provide the assistance in financial and other allied matters to the Board of Directors of the Company. The Committee consists of three members:

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

Objective of Audit Committee

The Objective of the Audit Committee is to oversight the financial reporting process and to ensure that the financial statement of the Company is correct, sufficient and credible. The roles and powers of the Audit Committee is prescribed in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. 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 auditors and 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 thereon and in particular internal control weaknesses.

Meetings of the Audit Committee:

The Audit Committee met 4 times during the year on 27.05.2011, 09.08.2011, 02.11.2011 and 09.02.2012. The gap between two meetings was not more than 4 months. The attendance record of the members is as follows:

S. No.	Name of the Directors	Position Held	No. of Meetings Held	No. of Meetings Attended
1.	Sunil Kumar Gupta	Chairman	4	4
2.	Ashvarya Kumar Maheshwari	Member	4	4
3.	Rajbir Singh Makhni	Member	4	4

2. Remuneration Committee:

The Committee consists of following:

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

As on date there are no directors who are drawing remuneration from the Company. No meeting was held during the financial year ended on 31.03.2012.

Remuneration Policy

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

Remuneration decided by committee is fair, transparent and simple to administrator.

3. Share Transfer & Shareholders'/Investors' Grievance Committee:

The Committee was constituted to ensure the transfer of shares within the stipulated time period and to redress shareholders' complaints such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Share Transfer & Shareholders'/Investors' Grievance Committee consists of the following:

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

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 complaints and non-receipt of Annual Reports.

Shareholders' Complaints

S. No.	Particulars	Number of Complaints
1	Shareholders' Complaints received	NIL
2	Complaints resolved	NIL
3	Pending Complaints	NIL

Meetings of the Share Transfer and Shareholders'/Investors' Grievance Committee:

The Committee met 4 times during the year on 27.05.2011, 09.08.2011, 02.11.2011 and 09.02.2012. The gap between two meetings is not more than four months.

The attendance record of the members is as follows:

S. No.	Name of the Directors	Position Held	No. of Meetings Held	No. of Meetings Attended
1	Yash Jeet Basrar	Chairman	4	4
2	Rajbir Singh Makhni	Member	4	4
3	Sunil Kumar Gupta	Member	4	4

GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company:

Description of Meetings	Date	Venue	Time	No. of Special resolution passed
22nd AGM	29.09.2011	Haryana Maitri Bhavan, H-4 & 5, Guru Harikishan Marg, Opposite Keshav Mahavidyalaya, Pitampura, New Delhi-110034	11.00 A.M.	1
21st AGM	25.06.2010	291, Anarkali Complex, Jhandewalan Extension, New Delhi-110 055	10:00 A.M.	0
20th AGM	20.08.2009	291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055	10:00 A.M.	1

No Special Resolution was passed in the last year through Postal Ballot.

DISCLOSURE

1. Related Parties & Transactions with them as required under Accounting Standard (AS-18) are furnished as Note No 1.10 and attached to & forming part of Balance Sheet & Statement of Profit & Loss for the financial year ended on 31st March, 2012.
2. Neither has any non compliance with any of the legal provisions of the Companies Act, 1956 been made by the Company nor any penalty imposed by the stock exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
3. There is no pecuniary relationship or transaction with Independent/Non executive Director.
4. None of transactions with any of related parties were in conflict with the interest of the Company.
5. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:
 - (a) The Company has set up a Remuneration Committee, details of which have been given earlier in this report.

- (b) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- (c) The Statutory Financial Statements of the Company are unqualified.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has systems for corporate risk assessment and mitigation. Every quarter, the Audit Committee of the Board is presented with key control issues and actions taken on past issues.

Business risk assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

The procedures adopted provide the Management an assurance on the internal processes and systems.

MEANS OF COMMUNICATION

Effective communication of information is an essential component of corporate governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes managements-shareholders relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in newspapers. These results are also made available on the website of the Company, viz. www.eurofin.in.

CODE OF CONDUCT

Code of conduct for the Directors and senior management was adopted by the Board. This code has been laid down with a view to promote good corporate governance and is applicable to all the Directors and Senior Management of the Company. This code of conduct is also available on the website of the Company, viz., www.eurofin.in.

CEO/CFO CERTIFICATION

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Directors has signed a Certificate accepting responsibility for the financial statement and confirming the effectiveness of the internal control system, which is given separately herewith.

COMPLIANCES UNDER LISTING AGREEMENT

Company is regularly complying with the provisions of the Listing Agreement. Informations, certificates and returns as required under Listing Agreement are sent to the stock exchanges within the prescribed time.

INFORMATION ON DEVIATION FROM ACCOUNTING STANDARDS, IF ANY

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2011-12.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Auditors' Certificate on compliance of Clause 49 (VII) of the Listing Agreement relating to Corporate Governance is published as an Annexure to the Directors' Report.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting : 23rd Annual General Meeting
Day & Date : Friday, 28th September, 2012

Location : 3E/9, First Floor, Jhandewalan Extension,
New Delhi – 110 055

Time : 11.00 A.M.

FINANCIAL YEAR

From 1st April, 2011 to 31st March, 2012

DIVIDEND PAYMENT

No dividend was recommended by the Board of Directors for the financial year 2011-12.

DATE OF BOOK CLOSURE

21st September, 2012 to 28th September, 2012 (both days inclusive)

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

SHARE TRANSFER SYSTEM

The Board of Directors have delegated the power of approving the transfer, transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization / rematerialisation of shares, to registrar & share transfer agents of the Company. All the matters are approved by RTA regularly.

Presently, the share transfer instruments which are received in physical form are being processed by R&T Agent, Alankit Assignments Limited and the share certificates are dispatched within a period of 30 days from the date of receipt thereof, subject to documents being complete and valid in all respects. The request for dematerialization of shares are also processed by R&T Agent within stipulated period of 21 days and uploaded with the concerned depositories.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from Company Secretary in Practice as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of certificate with Stock Exchanges on or before due date.

CAPITAL STRUCTURE

As on 31st March, 2012, 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/- each. The shareholding pattern of the Company as on 31st March, 2012 is as follows:

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's Group		
1. Promoters – Indian Promoters	1,06,430	2.19
– Foreign Promoters	2220	0.05
2. Persons acting in Concert	-	-
Sub-Total	1,08,650	2.24
B. Non-Promoter's Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	1,450	0.03
c. FIIs	-	-
Sub-Total	1,450	0.03
4. Others		
a. Private Corporate Bodies	10,65,490	21.98
b. Indian Public	36,51,665	75.33
c. NRIs	19,650	0.40
d. OCBs	1,000	0.02
Sub-Total	47,37,805	97.73
GRAND TOTAL (1+2+3+4)	48,47,905	100.00

DISTRIBUTION OF EQUITY SHARES

Total Number of Equity Shares - 48,47,905
Paid up value per share - ₹ 10/- each

DISTRIBUTION OF SHAREHOLDINGS

Share of Nominal Value of	Shareholders	Amount		
₹	Number	%	₹	%
1 to 5000	1136	94.04	9,42,300	1.94
5001 to 10000	26	2.15	1,98,400	0.41
10001 to 20000	14	1.16	1,97,500	0.41
20001 to 30000	3	0.25	69,900	0.41
30001 to 40000	1	0.08	33,000	0.07
40001 to 50000	0	0.00	0	0.00
50001 to 100000	4	0.33	2,54,900	0.53
100001 to Above	24	1.99	4,67,83,050	96.50
TOTAL	1208	100.00	4,84,79,050	100.00

MARKET PRICE DATA - BSE**(Figures in ₹)**

Month	Open Price	High Price	Low Price	Close Price	Total Turnover
October, 2011	11.55	12.70	11.55	12.70	3635
March, 2012	13.33	13.33	13.33	13.33	1333

DEMATERIALIZATION OF SHARES

The Shareholders of the Company have the option to dematerialize their shares. The Company has an agreement with NSDL for Dematerialization of Shares. The Company has also applied for admission of securities with CDSL. Status of Issued Share Capital as on 31.03.2012:

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	43,97,712	90.71
Physical Form	4,50,193	9.29
Total	48,47,905	100.00

REGISTERED OFFICE:

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

REGISTRAR AND SHARE TRANSFER AGENT:**Alankit Assignments Limited**

"Alankit House" 2E/21, Jhandewalan Extension, New Delhi-110055
Ph No. 011-42541234 • Fax: 011-42541967

INVESTOR CORRESPONDENCE MAY BE ADDRESSED TO:**Mr. Ashish Kumar**

Compliance Officer and Company Secretary,
Euro Finmart Limited
291, Anarkali Complex, Jhandewalan Extension, New Delhi-110055
Ph No. 011-43560061 • Fax: 011-43560061 • Website: www.eurofin.in

CERTIFICATION PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

I, Sunil Kumar Gupta, Director of the Company, certify to the Board that:

- a) I have reviewed the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on 31st March, 2012 and that to the best of my knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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 transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
- c) Further, I accept the responsibility to establish and maintain the 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 be taken to 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 aware and involvement therein, if any, of the management or an employee having a significance in the Company's internal control system.

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

-Sd/-
Sunil Kumar Gupta
Director

DATED : 30th May, 2012

PLACE: New Delhi

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, 2012.

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

-Sd/-
Sunil Kumar Gupta
Director

DATED : 30th May, 2012

PLACE: New Delhi

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 2012, 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/-

(K. K GUPTA)

Prop. (M. No. 8311)

FRN – 000009N

DATED : 30th May, 2012

PLACE : New Delhi

AUDITORS' REPORT

To
The Members of
EURO FINMART LIMITED
New Delhi

We have audited the annexed Balance Sheet of **EURO FINMART LIMITED** as at March 31, 2012 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 matters specified in paragraphs 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 the 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, 2012 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2012 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 manner so 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 state of affairs of the Company as at March 31, 2012:
 - ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on 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 and on behalf of
KRISHAN K. GUPTA & CO.
Chartered Accountants

-Sd/-
(K.K. GUPTA)
Prop. (M. No. 8311)
FRN – 000009N

DATED : 30th May, 2012
PLACE: New Delhi

ANNEXURE TO AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

(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 following 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 the Party	Relationship with the Company	Maximum Amount (₹)	Year end Balance (₹)
Diwakar Commercials Pvt. Ltd.	Associate Company	22,20,000.00	22,20,000.00

- b. On the basis of the records of the company, the company has not granted any loan 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 ` 5,00,000 (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 company is not involved in manufacturing activities, hence maintenance of Cost Records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 is not applicable to 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 are not applicable to the company.
 - b. In our opinion and according to the information and explanations given to us, the company has no disputed statutory 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 any 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 Equity 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 and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

-Sd/-

(K.K. GUPTA)

Prop. (M. No. 8311)

FRN – 000009N

DATED: 30th May, 2012

PLACE: New Delhi

BALANCE SHEET AS AT 31.03.2012

S. No.	Particulars	Note No.	As at 31-03-2012 (₹)	As at 31-03-2011 (₹)
(A)	EQUITY AND LIABILITIES			
1.	Shareholder's Funds			
	(a) Share Capital	2	48,479,050	9,695,810
	(b) Reserves and Surplus	3	13,271,520	47,984,614
	(c) Money received against share warrants	-	-	-
2.	Share Application money pending allotment	-	-	-
3.	Non-Current Liabilities			
	(a) Long-Term Borrowings	-	-	-
	(b) Deferred Tax Liabilities (Net)	-	-	-
	(c) Other Long Term Liabilities	-	-	-
	(d) Long Term Provisions	-	-	-
4.	Current Liabilities			
	(a) Short-Term Borrowings	4	20,000,000	-
	(b) Trade Payables	5	-	342,676
	(c) Other Current Liabilities	-	-	-
	(d) Short-Term Provisions	6	22,472	626,543
	Total Equity & Liabilities		81,773,042	58,649,643
(B)	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	7		
	(i) Gross Block		5,350,100	6,895,022
	(ii) Depreciation		-	1,513,412
	(iii) Net Block		5,350,100	5,381,610
	(b) Non-current investments	8	2,800,000	3,632,257
	(c) Deferred tax assets (net)		-	-
	(d) Long term loans and advances		-	-
	(e) Other non-current assets	9	2,545,193	2,921,157
2	Current Assets			
	(a) Current investments		-	-
	(b) Inventories	10	33,449,561	10,821,476
	(c) Trade receivables	11	30,817,498	12,338,598
	(d) Cash and cash equivalents	12	5,546,981	1,220,270
	(e) Short-term loans and advances	13	1,263,709	22,334,275
	(f) Other current assets	-	-	-
	Total Assets		81,773,042	58,649,643

Significant Accounting Policies and Notes to Accounts

1-18

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

The Notes referred to above form an integral part of the balance sheet

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

-Sd/-

(K.K. GUPTA)

Prop. (M.No. 8311)

FRN. 000009N

-Sd/-

SUNIL KUMAR GUPTA
DIRECTOR

-Sd/-

YASH JEET BASRAR
DIRECTOR

-Sd/-

ASHISH KUMAR
COMPANY SECRETARY**DATED: 30th May, 2012****PLACE: New Delhi**

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2012

S. No.	Particulars	Note No.	As at 31-03-2012 (₹)	As at 31-03-2011 (₹)
	REVENUE			
I	Revenue from operations		125,072,698	32,459,911
II	Other Income	14	506,302	4,512,019
III	Total Revenue (I + II)		125,579,000	36,971,930
	EXPENSES			
IV	Cost of Sales	15	113,883,438	20,756,254
	Operating Expenses		3,600,000	10,800,000
	Employee Benefit Expense	16	1,835,595	520,176
	Financial Costs	17	7,482	147,292
	Depreciation and Amortization Expenses		-	11,579
	Miscellaneous Exp. Written off	13	375,964	375,964
	Other Administrative Expenses	18	953,093	433,712
	Total Expenses (IV)		120,655,572	33,044,977
V	Profit before exceptional and extraordinary items and tax	(III - IV)	4,923,428	3,926,953
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		4,923,428	3,926,953
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		4,923,428	3,926,953
X	Tax expense:			
	(1) Current tax		853,282	687,504
	(2) Deferred tax		-	-
XI	Profit(Loss) from the period from continuing operations	(IX - X)	4,070,146	3,239,449
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		4,070,146	3,239,449
XVI	Earning per equity share:			
	(1) Basic		0.84	3.34
	(2) Diluted		0.84	3.34

Significant Accounting Policies and Notes to Accounts

1-18

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

The Notes referred to above form an integral part of the balance sheet

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

-Sd/-

(K.K. GUPTA)

Prop. (M.No. 8311)

FRN. 000009N

-Sd/-

SUNIL KUMAR GUPTA

DIRECTOR

-Sd/-

YASH JEET BASRAR

DIRECTOR

-Sd/-

ASHISH KUMAR

COMPANY SECRETARY

DATED: 30th May, 2012**PLACE: New Delhi**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

S. No.	Particulars	As at 31-03-2012 (₹)	As at 31-03-2011 (₹)
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Extraordinary Items	49,23,428	39,26,953
	<u>Adjusted for :</u>		
	Depreciation	---	11,579
	Preliminary and Deferred Revenue Expenditure	3,75,964	3,75,964
	Provision for Doubtful Debts	---	---
	Profit on sale of Investments	(15,219)	(22,51,298)
	Profit on sale of Fixed Assets (Net)	---	---
	Income Tax for earlier years	---	---
	Operating Profit before working capital changes	52,84,173	20,63,198
	<u>Adjusted for :</u>		
	Current Assets	(2,00,36,419)	(1,33,23,626)
	Current Liabilities	(19,05,32,53)	(9,52,674)
	(Increase)/Decrease in Net Current Assets	(9,83,166)	(1,23,70,952)
	Cash generated from Operations	(43,01,007)	(1,03,07,754)
	Taxation	(8,53,282)	(6,87,504)
	Income Tax for earlier years	---	---
	Cash Flow before Extraordinary Items	34,47,725	(1,09,95,258)
	Extraordinary Items	31,511	---
	Net Cash from operating activities	34,79,236	(1,09,95,258)
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition to Investments (Net)	8,32,257	14,52,601
	Investment in Subsidiary Company	---	---
	Investment in Application Money	---	---
	Purchase of Fixed Assets	---	(65,70,100)
	Profit on Sale of Investments	15,219	22,51,298
	Sale of Fixed Assets	---	12,20,000
	Net Cash used in Investing Activities	8,47,476	(16,46,201)
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Share Capital	---	(687)
	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)
	Net Increase/(Decrease) in cash and Cash Equivalent (A-B-C)	43,26,712	(1,26,42,146)
	Cash and Cash equivalents at the beginning of the year	12,20,269	1,38,62,415
	Cash and Cash equivalents at the close of the year	55,46,981	12,20,269

Note: Figures in brackets represents cash outflow. In terms of our report attached.

AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

We have verified the attached Cash Flow Statement of **EURO FINMART LIMITED, NEW DELHI** derived from the audited financial statements and the books of accounts maintained by the company for the years ended March 31, 2012 and March 31, 2011 and found the same to be in accordance therewith and also with the requirements of Clause 32 of Listing Agreement with Stock Exchange.

For **KRISHAN K. GUPTA & CO.**
Chartered Accountants

-Sd/-

(K.K. GUPTA)

Prop. (M. No. 8311)

FRN – 000009N

DATED : 30th May, 2012

PLACE : New Delhi

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2012

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 pro-rata 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. However, no depreciation has been claimed during the year under report.
- 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 31-03-2012 comes to ₹ Nil (P.Y. ₹ Nil) and leave encashment comes to ₹ Nil (P.Y. ₹ 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

- 1.1 Figures of previous year have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.
- 1.2 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.

1.3 MANAGERIAL REMUNERATION – NIL

1.4 The information as required by para 3 & 4 of part II of Schedule VI of the Companies Act, 1956:

- (A) **PARICULARS OF LICENCED/INSTALLED CAPACITY/PRODUCTION** – Since the company is trading in shares, securities and derivatives, the same is not applicable.

(B) EARNING IN FOREIGN EXCHANGE

1.5	Current Year	Previous Year
F.O.B. Value of Exports	NIL	NIL
1.6 CONTINGENT LIABILITIES		
Bank Guarantee, Counter guarantee for Guarantee issued by bank	NIL	NIL

1.7 CAPITAL COMMITMENTS

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

1.8 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).

1.9 BONUS

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

1.10 Related Party disclosures as required by AS – 18 “Related Party Disclosures” –

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

Transactions with Related Parties :

	Key Management Personnel		Associate Companies	
	Current Year (₹)	Previous Year (₹)	Current Year (₹)	Previous Year (₹)
Advance from Customers				
Opening Balance	---	---	---	---
Amount taken	---	---	---	---
Amount repaid/adjusted	---	---	---	---
Closing Balance	---	---	---	---
Loans & Advances (Assets)				
Opening Balance	---	---	---	---
Amount given (including accrued interest)	---	---	25,00,000	4,48,66,628
Amount received/adjusted (including accrued interest)	---	---	47,20,000	2,81,90,000
Closing Balance	---	---	22,20,000	1,66,76,628

1.11 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.

1.12 During the year under report, the company has allotted 38,78,324 Fully Paid Equity Shares as bonus shares to the existing shareholders of the company by capitalization of the equivalent amount from Share Premium Reserves the same has been approved by the shareholders of the company.

Note No.2 : SHARE CAPITAL

S. No.	Particulars	As at 31 March, 2012 Amount in (₹)	As at 31 March, 2011 Amount in (₹)
(1)	AUTHORIZED CAPITAL 5000000 Equity Shares of ₹ 10/- each.	50,000,000	50,000,000
	Total	50,000,000	50,000,000
(2)	ISSUED , SUBSCRIBED & PAID UP CAPITAL To the Subscribers of the Memorandum 969581 Equity Shares of ₹ 10/- each, Fully Paid up	96,95,810	96,95,810
	3878324 Equity Shares of ₹ 10/- each issued during the year as Bonus shares by capitalization of the equivalent amount from share premium reserves	3,87,83,240	
	Total	4,84,79,050	96,95,810

- 3 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

4. Reconciliation of share capital outstanding as at the beginning and at the end of the year

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Equity shares of ₹ 10 each fully paid up				
Balance as at the beginning of the year	969,581	9,695,810	969,581	9,695,810
Add: Shares issued during the year	3,878,324	38,783,240	-	-
Balance as at the end of the year	4,847,905	48,479,050	969,581	9,695,810

5. There are no rights, preferences and restrictions attached to any share.

6. Details of shareholder holding more than 5% shares as at year end.

S. No	Name of shareholders	As at 31 March 2012		As at 31 March 2011	
		% of holdings	No. of shares held	% of holdings	No. of shares held
	<u>Equity shares of ₹ 10 each fully paid up</u>				
1	Anubhi R Kulkarni	7.71	3,73,830	7.71	74,766
2	Garima Agarwal	6.55	3,17,755	6.55	63,551
3	Shaaswat & Leasing Finance Pvt. Ltd.	7.71	3,73,830	7.71	74,766
4	Vikas Polymer Land Pvt. Ltd.	9.64	4,67,285	9.64	93,457
5	Vinod Gupta	7.13	3,45,790	7.13	69,158
6	Vineeta Gupta	7.13	3,45,790	7.13	69,158
7	Vaibhav Garg	9.64	4,67,285	9.64	93,457
8	Ashok Khandelwal	6.94	3,36,445	6.94	67,289
9	Rekha Khandelwal	6.94	3,36,445	6.94	67,289
	Total		3,364,455		6,72,891

7. There is no share reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

Note No. 3 : RESERVES & SURPLUS

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Securities Premium reserve		
	Balance as per Last Year	42,152,045	2,311,482
	Addition during the Year	-	39,840,563
	Deduction during the Year	38,783,240	-
	Balance at the end of Year A	3,368,805	42,152,045
2	General Reserve B	50,660	50,660
3	Surplus (Statement of Profit & Loss)		
	Balance brought forward from previous year	5,781,909	2,542,460
	Less: Tax on Regular Assessment Paid		
	Add: Profit for the period	4,070,146	3,239,449
	C	9,852,055	5,781,909
	Total (A+B+C)	13,271,520	47,984,614

Note No. 4 : SHORT TERM BORROWINGS

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Advances from Customers		
	Euro Global Reinsurance Brokers Ltd.	20,000,000	-
	Total	20,000,000	-

Note No. 5 : TRADE PAYABLES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Sundry creditors		
	Alankit Assignments Ltd-3275	-	92,676
	ISG Securities & Finance Ltd.	-	2,000,00
	Narendra Kumar	-	50,000
	Total	-	342,676

Note No. 6 : SHORT TERM PROVISIONS

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Liability for Expenses		
	Audit Fees Payable	22,472	16,545
	Fees for other matters payable	-	5,000
	Service Tax Payable	-	294,376
	TDS Payable	-	310,622
	Total	22,472	626,543

Note No.7 : FIXED ASSETS

Particulars	Cost as on 01-04-2011	Discarded during the year	Cost as on 31-03-2012	Depreciation upto 31-03-2011	Depreciation for the year	Adjustments for the year	Depreciation upto 31-03-2012	W.D.V. as on 31-03-2012	W.D.V. as on 31-03-2011
Furniture & Fixtures	1,454,428	1,454,428	---	1,454,428	---	1,454,428	---	---	1
Agricultural Land	5,350,100	---	5,350,100	---	---	---	---	5,350,100	5,350,100
Electric Installations	75,344	75,344	---	48,440	---	48,440	---	---	26,904
Computer	15,150	15,150	---	10,544	---	10,544	---	---	4,606
TOTAL	6,895,022	1,544,922	5,350,100	1,513,412	---	1,513,412	---	5,350,100	5,381,611

Note No.8 : NON CURRENT INVESTMENT

S. No.	Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
1	Quoted - Non Trade		
	PNB Gilts Ltd.	-	240
	Mahindra Satyam Computers Ltd.	-	830,000
	Reliance Industries Ltd	-	2,017
			83,2257
2	Non-Quoted- Non Trade		
	Genins India TPA Ltd.	900,000	900,000
	Vikas Promoters Pvt. Ltd.	1,500,000	1,500,000
	Pratishtha Images Pvt. Ltd	400,000	400,000
		2,800,000	2,800,000
	Total	2,800,000	3,632,257

Note No.9 : OTHER NON CURRENT ASSETS

S. No.	Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
1	Project Promotion Expenses	670,462	754,270
	Less:- Written off	83,808	83,808
		586,654	670,462
2	Preliminary Expenditure	51,932	69,243
	Less:- Written off	17,311	17,311
		34,621	51,932
3	Share Issue Expenses	2,198,763	2,473,608
	Less:- Written off	274,845	274,845
		1,923,918	2,198,763
	Total	2,545,193	2,921,157

Note No. 10: INVENTORIES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	(As per inventory taken, valued & certified by the management) (At cost or market value, whichever is lower) Shares & Securities	33,449,561	10,821,476
	Total	33,449,561	10,821,476

Note 11: TRADE RECEIVABLES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Outstanding for more than six months		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	Jagdishwar Lal Jewellers	-	70,000
	c) Doubtful	-	
2	Others		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	30,817,498	12,268,598
	c) Doubtful	-	
	Total	30,817,498	12,338,598

Note No. 12: CASH & CASH EQUIVALENTS

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Cash-in-Hand		
	Cash Balance	5,188,950	352,508
	Sub Total (A)	5,188,950	352,508
2	Bank Balance		
	Current Account		
	HDFC Bank	144,183	523,870
	Vijaya Bank	3,918	341,764
	Bank of Baroda	-	2,128
	Fixed Deposit with Vijaya Bank (Incl. Accrued Interest)	209,930	-
	Sub Total (B)	358,031	867,762
3	Cheques on Hand	-	-
	Total (A + B)	5,546,981	1,220,270

Note No. 13: SHORT TERM LOANS AND ADVANCES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	LOANS & ADVANCES		
	Unsecured, Considered Good :		
	Alankit Finsec Ltd.	-	3,599,185
	Alankit Imaginations Ltd.	-	250,000
	Diwakar Commercials Pvt. Ltd	-	16,676,628
2	Others		
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Advance Income Tax/Refund Due	1,229,245	1,756,917
	Balance With Revenue Authorities (Indirect Taxes)	34,464	51,545
	Total	1,263,709	22,334,275

Note No. 14: OTHER INCOME

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Interest from Banks on Deposits	33,320	2,041,990
2	Dividend	430,213	218,731
3	Miscellaneous income	27,550	-
4	Profit on Sale of Investments(unquoted)	-	2,197,500
5	Profit on Sale of Investments(quoted)	15,219	53,798
	Total	506,302	4,512,019

Note No. 15: COST OF SALES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
	Opening stock	10,821,476	16,029,374
	Purchases	134,982,636	12,140,099
	Trading loss	1,528,887	3,408,257
		147,332,999	31,577,730
	Less:- Closing Stock	33,449,561	10,821,476
	Total	113,883,438	20,756,254

Note No. 16: EMPLOYMENT BENEFIT EXPENSES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Salaries and wages	1,680,000	489,054
2	Staff welfare expenses	155,595	31,122
	Total	1,835,595	520,176

Note No.17 : FINANCIAL COST

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Interest	-	118,419
2	Bank Charges	7,482	28,873
	Total	7,482	147,292

Note No. 18 : OTHER ADMINISTRATIVE EXPENSES

S. No	Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
1	Demat Expenses	5,164	4,849
2	Computer Expenses	5,600	-
3	Printing & Stationery	63,752	53,515
4	Audit fees	20,000	15,000
5	Advertisement	20,369	14,831
6	Fee and Subscription	246,600	217,349
7	Communication Expenses	33,080	12,150
8	General Charges	80,519	11,018
9	Legal & Professional Charges	326,500	105,000
10	Sundry Balance Written off	151,509	-
	Total	953,093	433,712

For and on behalf of
KRISHANK K. GUPTA & CO.
Chartered Accountants

-Sd/-
(K.K. GUPTA)
Prop. (M.No. 8311)
FRN. 000009N

-Sd/-
SUNIL KUMAR GUPTA
DIRECTOR

-Sd/-
YASH JEET BASRAR
DIRECTOR

-Sd/-
ASHISH KUMAR
COMPANY SECRETARY

DATED: 30th May, 2012
PLACE: New Delhi



EURO FINMART LIMITED

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

ATTENDANCE SLIP**23RD 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 THIRD ANNUAL GENERAL MEETING** on Friday the 28th day of September 2012, at the 3E/9, First Floor, Jhandewalan Extension, New Delhi-110 055._____
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 Member(s) of **Euro Finmart Limited**, hereby
appoint Mr./Ms _____ of _____or failing him/her Mr./Ms. _____ of _____ as my / our Proxy to attend
and vote for me / us on my / our behalf at the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Company, to be
held on Friday the 28th day of September 2012, at the 3E/9, First Floor, Jhandewalan Extension, New Delhi - 110 055
and at any adjournment thereof.

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

DP ID *

Client ID * :

Signature :

Dated :

Affix
₹ 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.







Regd. Office : 291, Anarkali Complex,
Jhandewalan Extension,
New Delhi-110 055
p: 91-11-43560061 | **f:** 91-11-43560061

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