

ANNUAL REPORT
OF
CORPORATE
MERCHANT
BANKERS
LIMITED
FOR YEAR 2011-2012

Registered Office: - 101, First Floor, N - 27,
South Extension Part - 1, New Delhi - 110049
Email: deepak@yadu.in

Certified True Copy

For Corporate Merchant Bankers Ltd.

Deepak

Director

CORPORATE INFORMATION

Board Of Directors

- Deepak Yadav
- Jaswant Singh Yadav
- Ramesh Chand Jain

Director&Non-Executive Director
Director&Non-Executive Director
Independent &Non-Executive Director

Statutory Auditors

- Anil Ajay & Company
G Block, Surajmal Vihar,
Delhi - 110095
FRN : 088204

Banker

Punjab National Bank

Listed With Stock Exchange

- Delhi Stock Exchange
Dse House, 3/1, Asaf Ali Road,
New Delhi-110002
- U. P. Stock Exchange Limited
14/113, Civil Lines,
Kanpur - 208001

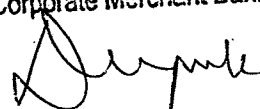
Compliance Officer

- Mr. Jaswant Singh Yadav - Director

Registered Office

Regd. Office :101, First Floor, N - 27,
South Extension Part - 1,
New Delhi - 110049
Email: deepak@yadu.in

For Corporate Merchant Bankers Ltd.



Director

-: NOTICE:-

NOTICE is hereby given that the Annual General Meeting of **M/sCORPORATE MERCHANT BANKERS LIMITED** will be held on 29th September 2012, Saturday at 10:00a.m. for the financial year ended as on 31st March 2012, at the registered office of the company at 101, First Floor, N - 27, South Extension Part - 1, New Delhi - 110049 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Statement of Profit and loss for the financial year ended March 31, 2012 and the Balance Sheet as at the date together with the report of the Board of directors and auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Chand Jain who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors from the conclusion of this Annual General Meeting till Next Annual General Meeting and to fix their remuneration and in this regard pass the necessary resolution with or without modification as Ordinary Resolutions.

"RESOLVED THAT M/s Anil Ajay & Company, Chartered Accountants, be and is hereby appointed as Statutory Auditors of the company from the conclusion of this AGM to the next AGM and Board of Directors of the company be and are hereby authorized to fix their resolution as they may think fit."

By order of the Board of Directors
CORPORATE MERCHANT BANKERS LIMITED

Sd/-
Deepak Yadav
Director
Din: 00223602

Dated : 29.08.2012
Place : New Delhi

NOTES

1. **APPOINTMENT OF PROXY: A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. **Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. **Members /Proxies** are requested to bring their copy of AGM Notice to the Meeting.
4. The register of members and share transfer books of the company will remain closed from 23rd September 2012 to 29th September 2012 (both days inclusive).
5. **Queries of the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least 7 days prior to the date of AGM to enable the management to compile the relevant information to reply to the same in the meeting.
6. **Inspection of Documents:** Copies of Memorandum and Article of Association of the Company and all other documents referred to in the notice etc. shall be open for inspection at the registered office of the company on
For Corporate Merchant Bankers Ltd.

any working days except Saturdays between 11 A.M. To 2 P.M. up to the date of AGM and also at the Annual General meeting venue during the meeting. The Register of Directors' Shareholding, maintained under section 307 of the Companies Act, 1956, shall be available for inspection by the members at the Annual General meeting venue during the meeting.

7. Members /Proxies are requested to produce the enclosed attendance slips duly filled and signed as per the specimen signature recorded with the company for admission to the Meeting Hall.

Members who hold shares in de-materialized form are requested to bring their client ID and DP ID Numbers for easier identification for their attendance at the meeting.

8. **Address Change Intimation:** Members are requested to intimate the change of address immediately to the company or its Share Transfer Agent. In case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant without any delay.
9. In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in dematerialized form, they must quote their client ID and DP ID Numbers.
10. The Ministry of Corporate Affairs has introduced 'Green Initiative' whereby the documents are permitted to be served on the members through electronic mode i.e., e-mail. This initiative is a step towards protection of environment and enabling faster communication with the members. Accordingly, the Company proposed to serve all the documents to e-mail addresses of the members. Members are requested to provide/update their e-mail address to the Company.

INFORMATION PURSUANT TO THE LISTING AGREEMENT

Name and addresses of the Stock Exchange at which the Company's shares are listed: -

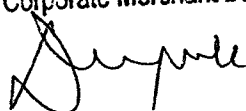
1. **Delhi Stock Exchange Limited**
Asaf Ali Road, Darya Ganj, New Delhi
2. **U. P. Stock Exchange Limited**
14/113, Civil Lines,
Kanpur - 208001

The Company has paid listing fee of Delhi Stock Exchange and U.P. Stock Exchange.

Details of Directors seeking reappointment at Annual General Meeting: -

Particulars	
Name	Ramesh Chand Jain
Date of Appointment	25/03/2009

For Corporate Merchant Bankers Ltd.



Director

DIRECTOR REPORTS

To
The Members,

The Directors of your company have pleasure in presenting their report together with the statements of Accounts for the year ended 31st March 2012.

1. FINANCIAL HIGHLIGHTS:

The financial results are summarized as under:	2011-12	2010-11
Profit before Depreciation	116700	188365
Less: Depreciation	23655	17859
Profit before Tax	93045	170506
Less: Provision for Tax/Deferred Tax	87825	1847
	5220	168659
Add: Deferred Tax	2157	0000
Profit after Tax	7377	168659

2. DIRECTORS:

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ramesh Chand Jain, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Directors recommend his re-appointment.

3. AUDITORS

M/s Anil Ajay & Company, Chartered Accountants, the retiring Auditors of the company from the end of this Annual General Meeting are eligible to be appointed as Statutory Auditors of the company till the next Annual General Meeting and to fix their remuneration.

4. PARTICULARS OF EMPLOYEES:

The company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

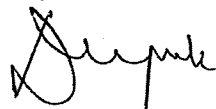
5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

The Company has no activities relating to conservation of energy or technology absorption and foreign exchange earnings and outgo.

6. RESPONSIBILITY STATEMENTS (As required U/s 217(2AA) of the Companies Act, 1956)

In preparation of the Annual Accounts, the management has followed the applicable accounting standards and there is no material departure from Accounting Standards.

For Corporate Merchant Bankers Ltd.



Director

The management has selected such accounting policies and applied them consistently and made its judgments/estimates, which are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at 31st March 2012, and Profit and Loss Account of the company for the year ended on that date.

The management/Directors has taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the act for the safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

ACKNOWLEDGEMENT:

The Directors wish to place on record its appreciation for the continued co-operation extended by various Financial Institutions, Bankers, Govt. Departments and the members. The Directors also express their appreciation to the employees at all levels, for their dedicated services rendered to the Company.

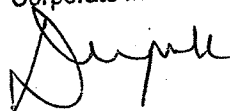
By the order of Board of Director
M/sCORPORATE MERCHANT BANKERS LIMITED

Sd/-
Deepak Yadav
Additional Director
DIN :00223602

Sd/-
Jaswant Singh Yadav
Additional Director
DIN : 01207681

Place: New Delhi
Date:29/08/2012

For Corporate Merchant Bankers Ltd.



Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT**INDUSTRY TRENDS AND BUSINESS ANALYSIS:**

For our Indian economy, this was a year of unfulfilled expectations owing to both domestic and external factors. This year's performance of the Indian Economy has been disappointing when compared with the trend. A belated policy rate cut by the RBI and subsequent cut in interest rates by commercial banks in the beginning of FY 2012 unlikely to reverse the deterioration in business sentiment by itself unless the policy interface with the business concerns becomes more alert and responsive than it seems to have been for the last two years.

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.

India's Gross Domestic Product (GDP) is estimated to grow by 6.9% in FY 2011-12, after having grown at the rate of 8.4% in each of the two preceding years. A tight monetary policy which is impacted by investment and consumption growth, Fiscal conditions deteriorated during the year with key deficit indicators crossing the budget targets of FY 2011-12. Apart from sluggishness in tax revenues, Government's non-plan expenditure, particularly subsidies, increased sharply. The slippage in the fiscal deficit has added to inflationary pressures.

The Company is engaged in business activities as Non Banking Finance Company (NBFC). Non Banking Financial Companies (NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector.

Banks and NBFCs compete for similar kinds of business. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi urban area.

OPPORTUNITIES & THREATS:

The performance of capital market in India has a direct correlation with the prospect of the economic growth and political stability. The recent steps by the Government of India to create Infrastructure for NBFC and to provide banking license for NBFCs is a positive signal. These opportunities have made the Industry highly competitive with the emergence of new category of systematically important NBFCs, along with existing local and Multinational players leading to tough competition within the industry.

With the globalization and electronic age, Indian stock market changed over the past decade. Nearly 100% of all the transactions are executed through electronic media online trading system. The developments of high tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity.

Current elevated rates of inflation pose significant risks to future growth. With the attention of government focused in containing the inflation, the economic growth may see a deceleration with corporate turning in moderate growth.

SEGMENT - WISE OR PRODUCT WISE PERFORMANCE:

As per the requirement of the Corporate Governance, companies are required to show their performance as per segment wise but company operates only in one segment; hence segment wise performance is not applicable.

OUTLOOK AND PROSPECTS:

The Management of the company is very much optimistic about the growth of the organization with the focus on the productivity and the long term projects. Company need large fund for the working capital requirement and expansion but consequently the company is not in favor of taking the loan because of interest rate, long term procedure etc..

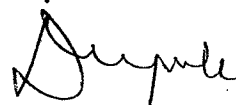
RISK AND CONCERNS:

As an NBFC, the Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, retention of talented personnel, managing effective growth rate, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. The Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has an established sound internal control system which contributes to safeguarding the shareholder's investment and company's assets. A sound system of internal Control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

For Corporate Merchant Bankers Ltd.



Director

Our Company has in place adequate systems of internal control and the internal audits are being carried out, based on the scope approved by the Audit Committee of Directors (ACD). The company has an audit committee which regularly reviews the audit finding as well as the information security assurance services is also provided by independent external Professionals.

Based on their recommendations, the Company has implemented a number of measures both in operational and counting related areas apart from security related measures. All the above business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

DISCUSSION ON FINANCIAL PERFORMANCE:

As per the current statement of affairs of the company, the financial position of the company has not been as per the expectation of the company management. All though the Company has entered into many agreement in this financial year and has made investment.

CAUTIONARY STATEMENT:

Statement in the management discussion and analysis describing the company objective projection and estimates may be forward looking statement with the meaning of applicable securities laws and regulation. Actual result could differ materially from those expressed or implied.

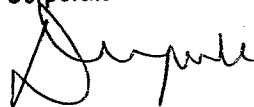
By the order of Board of Director
M/s CORPORATE MERCHANT BANKERS LIMITED

Sd/-
Deepak Yadav
Additional Director
DIN : 00223602

Sd/-
Jaswant Singh Yadav
Additional Director
DIN : 01207681

Place: New Delhi
Date: 29/08/2012

For Corporate Merchant Bankers Ltd.



Director

CORPORATE GOVERNANCE REPORT

The Company's principle of Corporate Governance implies the strict adherence to the corporate and other administrative laws and practices in letter and spirit to ensure better service to the investors and provide a transparency in the working of the company. Induction of total professionalism, adherence to prudent Financial Management and value addition are the core concept of committed to ensure high level of Corporate Governance in the company.

Hereunder, the report to Directors on the practices of Corporate Governance prevalent in the company in terms of clause 49 of Listing Agreement.

1. BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD

As on 31st March 2012 the Board of Directors of the Company consists of three Directors, as Mr. Deepak Yadav, Mr. Ramesh Chand Jain, and Mr. Jaswant Singh Yadav.

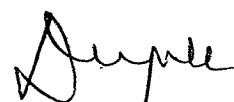
Name of Director	Category	No. Of Other Directorship	No. Of other Committee Membership	No. Of other Committee Chairmanship
Mr. Deepak Yadav	Director	9	1	NIL
Mr. Ramesh Chand Jain	Director	—	1	NIL
Mr. Jaswant Singh Yadav	Director	3	1	NIL

(b) BOARD MEETING

During the financial year 2011-12, 7 (Seven) meetings of the Board of Directors were held. The details of date are: 15th April 2011, 13th May 2011, 12th August, 2011, 05th September 2011, 14th November 2011, and 14th February, 2012 and 05th March 2012. The attendance of the Directors in Board meetings mentioned herein above and at last AGM is as follows:

Name of Director	No. Of Meeting Held	No. Of Meetings Attended	Attendance at the last AGM
Mr. Deepak Yadav	7	5	Yes
Mr. Ramesh Chand Jain	7	6	Yes
Mr. Jaswant Singh Yadav	7	7	Yes

For Corporate Merchant Bankers Ltd.



Director

2. AUDIT COMMITTEE

The Management is primarily responsible for internal controls and the financial reporting process of the company. The statutory Auditors are responsible for performing independent audit of the Company's financial statement in accordance with generally accepted auditing and accounting standards, and for issuing reports based on such audits. The Audit Committee has been entrusted by the Board of Directors to supervise these processes and, thus, ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The composition of the Audit Committee is as follows:

Mr. Deepak Yadav	Chairman
Mr. Ramesh Chand Jain	Director
Mr. Jaswant Singh Yadav	Director

During the year under review the Audit Committee of the Board met 4 times during the financial year ended 31.03.2012 to consider and approve the un-audited quarterly, half yearly and annual results of the Company.

3. THE SHAREHOLDERS/INVESTERS GRIEVANCE/SHARE TRANSFER COMMITTEE

The composition of Shareholders/Investors Grievance/Share transfer Committee is as follow:

Mr. Deepak Yadav	Chairman
Mr. Jaswant Singh Yadav	Member

The Company has its in House Share Transfer department, at Registered Office of the company. The power to sign the share transfer dully registered, are given to the Directors/Secretary/Officers of the company. During the year under review, no complaint was received from the investors.

REMUNERATION COMMITTEE

The role of remuneration committee has been defined as under:

To review and approve/recommend the remuneration for the Officers/Whole Time Directors of the Company.

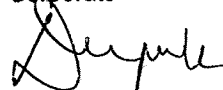
To review and recommend to the Board the remuneration policy of the Company.

To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

The composition of shareholders/investors Grievance/Share Transfer Committee is as follows:

Mr. Deepak Yadav	Chairman
Mr. Jaswant Singh Yadav	Member

For Corporate Merchant Bankers Ltd.



Director

Remuneration to Directors:

During the year under review, the Company has not paid remuneration to any directors of the Company.

4. GENERAL BODY MEETINGS:

The details of last three AGM in pursuance of requirement as stipulated under Clause 49 of the Listing Agreement.

Financial Year	Date/ Time	Venue	Special Resolution passed, if any
2009-10	29.09.2010/11.00 a.m	Regd, office	No
2010-11	30.09.2011/11.00 a.m.	Regd, office	No
2011-12	29.09.2011/10.00 a.m.	Regd, office	No

5. DISCLOSURES

There is no materially significant transaction with the related parties viz Promoters, Directors, Director's Relatives etc, that may potentially conflict with the company's interest at large.

MEANS OF COMMUNICATION

Subject

Detail

Whether half Yearly Report sent to Shareholders

Since Company's un-audited results are published in News Papers, the same were not sent to the members.

In which news paper normally published,

The Financial Express (English),
Veer Arjun (Hindi)

In any Web site where displayed

No.

6. GENEAL SHARE HOLDER INFORMATION

Annual General Meeting

Date and Time

: 29th September 2012 at 11.00 A.M.

Venue

: Registered Office

Financial Year

: 1st April 2011 to 31st March 2012

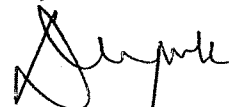
Financial Reporting in Calender

(1) 1st Quarterly results on 16th August 2012.

Year (Tentative for the year 11-12)

(2) 2nd Quarterly results on 15.11.2012

For Corporate Merchant Bankers Ltd.



Director

- (3) 3rd Quarterly results on 15.01.2012
 (4) 4th Quarterly/yearly Audited results on or before 15.05.2012 or 30.06.2012.

Date of Book Closure : 23th September 2012 to 29th September 2012 (Both days inclusive)

Listing on Stock Exchanges : 1. The Delhi Stock Exchange Association Ltd, New Delhi
 : 2. The U.P. Stock Exchange Association Ltd, Kanpur.

Listing fee of Stock Exchange is paid till Date.

DISTRIBUTION OF SHAREHOLDING ON 31ST MARCH 2012

Distribution Schedule as on 31.03.2012

Number of Share holders	% of Total	Share Holding of Nominal Value of Rs.10	No. Of Shares	Amount in Rs.	% to Total
344	96.63	Up to 5000	108220	1082200	3.28
1	0.28	5001 to 10000	7000	70000	0.21
1	0.28	10001 to 20000	11000	110000	0.33
1	0.28	20001 to 30000	28700	287000	0.87
0	0	30001 to 40000	0	0	0
1	0.28	40001 to 50000	49500	495000	1.5
0	0	50001 to 100000	0	0	0
8	2.25	100001 and above	3095580	30955800	93.81

Share holding Pattern as on 31.03.2012

Sr. No. Share holders No. Of Share % age

For Corporate Merchant Bankers Ltd.



Director

1.	Promoters	2700	0.08
2.	Financial Institutions	00	00
3.	Bodies Corporate other than Financial Institutions	2299580	69.69
4.	Mutual Funds	00	00
5.	NRIs	00	00
6.	Individuals (Indian Public)	<u>997720</u>	<u>30.23</u>
		<u>3300000</u>	<u>100.00</u>

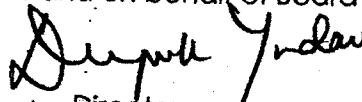
ADDRESS FOR CORRESPONDENCE:

For matters related to Share/Queries/Demat/Transfer/Transmission request:

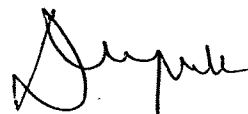
Registered Office:

**101, First Floor,
N-27, South Extension-1, New Delhi-110049**

For and on behalf of Board


Director

For Corporate Merchant Bankers Ltd.

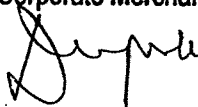

Director

AUDITORS' REPORT

- 1- We have audited the attached balance sheet of CORPORATE MERCHANT BANKERS LIMITED as at 31st March 2012 and the profit and loss account for the year ended on that date annexed thereto. 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.
- 2- We conduct our audit in accordance with the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.
- 3- As required by the Companies (Auditor's 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' a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4- Further to our comments in the 'Annexure' referred to above, we report that:
 - (i) 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;
 - (ii) 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. There is no branch.
 - (iii) The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) 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 notes on account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the statement of affairs of the company as at 31st March 2012;
 - (b) In the case of the profit and loss account, of the profits for the year ended on that date.

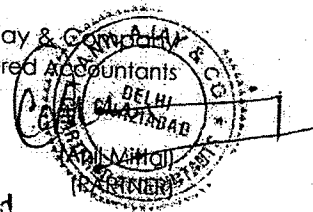
Place : GHAZIABAD
Date : 29.08.2012

For Corporate Merchant Bankers Ltd.



Director

For Anil Ajay & Co. Chartered Accountants



ANNEXURE

Referred to in paragraph 3 of our report of even dated for the audit year ended 31.3.2012

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year. In our opinion, It is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of fixed assets, hence it does not affect the going concern status of the company.
- (ii) As the company is not having any inventory hence maintenance of records and verification of inventory is not required.
- (iii) (a) During the year the company has not granted any fresh loan to parties covered in the register maintained under section 301 of the Companies Act 1956. However year end balance of such loans amounts to Rs. 42.16 lakhs.
- (b) The terms and conditions on which such loans were granted are not prima facie prejudicial to the interest of the company.
- (c) The parties are also regular in repayment of principal amount as stipulated.
- (d) There is no overdue amount of more than one lakh rupees for recovery of principal and interest.
- (e) The company has not taken any loan secured or unsecured during the year from companies, firms or other parties covered in the register maintained u/s 301 of the companies Act, 1956.
- (f) The rate of interest and other terms and conditions with regards to loan taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company as no loan had been taken by the company.
- (g) As none of the loan was taken by company, hence regularity in repayment of loans and/or interest are not applicable.



For Corporate Merchant Bankers Ltd.

A handwritten signature in dark ink, appearing to be "S. Gupta", written over the printed text "For Corporate Merchant Bankers Ltd." and above the word "Director".

Director

- (iv) In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the company and the nature of its business. However during the year no purchase of inventory, fixed assets was made however it is adequate control and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into 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, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public covered under provisions of sections 58A and 58AA of the Companies Act, 1956 and Companies Acceptance of Deposits Rules, 1975. No order has been passed by the Company Law Board.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1) of the Companies Act, 1956.
- (ix) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (x) In our opinion the company is not having any accumulated losses.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank.



For Corporate Merchant Bankers Ltd.

A handwritten signature in dark ink, appearing to be "S. Singh".

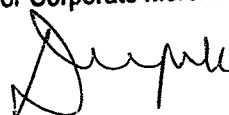
Director -

- (xii) As per information given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As per information given to us the company has not given any guarantees for loans taken by others from banks or financial institutions hence not prejudicial to the interest of the company.
- (xvi) No term loan was taken, hence this clause is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been ultimately used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any allotment of preferential shares.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xx) During the year covered by our report company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : GHAZIABAD
Date : 29.08.2012

For Anil Kumar & Company
Chartered Accountants
DELHI
(PARTNER)

For Corporate Merchant Bankers Ltd.



Director

CORPORATE MERCHANT BANKERS LIMITED

Balance Sheet as at 31st March 2012

PARTICULARS	Note Number	As At 31.03.2012	As At 31.03.2011
<u>EQUITY & LIABILITIES</u>			
1) Shareholder's Fund			
a) Share Capital	2	330000000	330000000
b) Reserves & Surplus	3	274923	267546
2) <u>Non Current Liabilities</u>			
a) Deferred Tax Liability (Net)	-	0	1717
3) <u>Current Liabilities</u>			
b) Other Current Liabilities	4	50500	32500
Total Rs.		33325423	33301763
<u>ASSETS</u>			
4) <u>Non Current Assets</u>			
a) <u>Fixed Assets</u>			
Tangible Assets	5	19899	43554
b) Non current Investment	6	25975000	25975000
c) Deferred Tax Assets (Net)	-	440	0
5) <u>Current Assets</u>			
a) Trade Receivable	7	2781358	2781358
b) Cash & Cash Equivalent	8	341351	501851
c) Short Term Loans & Advances	9	4207375	4000000
Total Rs.		33325423	33301763

The accompanying 'Notes' Forms integral part of the Financial Statements.

As per our report of even date.

For Anil Mittal & Associates,
Chartered Accountants,

(Anil Mittal)
(Partner)

Place :- Delhi

Date :- 29.08.2012

For CORPORATE MERCHANT BANKERS LIMITED

(Director) (Director)

For Corporate Merchant Bankers Ltd.

Director

CORPORATE MERCHANT BANKERS LIMITED

Statement of Profit and Loss Account for the year ended 31.03.2012

PARTICULARS	Note Number	For the year ended 31.3.2012	For the year ended 31.3.2011
i) Other income	10	240000	486480
II) Total Revenue		240000	486480
III) <u>Expenses:</u>			
a) Employee Benefits Expenses	11	84000	198000
b) Depreciation and Amortization Expenses	5	23655	17859
c) Other Expenses	12	39300	100115
IV) Total Expenses		146955	315974
V) Profit/Loss before exceptional and extraordinary items and tax (II-IV)		93045	170506
VI) Exceptional items / Extra Ordinary Items		-	-
VII) Profit/Loss before tax		93045	170506
VIII) Tax expenses:			
(a) Earlier year Tax		(55200)	-
(b) Current Year Tax		(32625)	-
(c) Deferred Tax		2157	(1847)
IX) Profit/Loss for the year		7377	168659
X) Earning per equity share: (Basic)		0.05	1.05

The accompanying 'Notes' Forms integral part of the Financial Statements.

As per our report of even date.

For Anil, Ajay & Company

Chartered Accountants

DELHI

GAZIABAD

(Anil Mittal)

(Partner)

For CORPORATE MERCHANT BANKERS LIMITED

[Signature]
(Director)

[Signature]
(Director)

Place :- Delhi

Date :- 29.08.2012

For Corporate Merchant Bankers Ltd.

[Signature]

Director

CRPORATE MERCHANT BANKERS LIMITED

NOTE-2: SHARE CAPITAL

Particulars	As At 31.03.2012		As At 31.03.2011	
	Number	Amount	Number	Amount
<u>Authorised:</u> Equity shares of Rs. 10/- each	7000000	70000000	7000000	70000000
<u>Issued, Subscribed and Fully Paid up</u> Equity shares of Rs.10/- each	3300000	33000000	3300000	33000000
Total Rs		33000000		33000000

Other Informations :

2.1). Details of Shares held by those shareholders whose holding is more than 5% of equity shares is as given below:

Name of Shareholder	As at 31.3.2012		31.03.2011	
	Number of Shares held	% of Share Holding	Number of Shares held	% of Share Holding
BHAVNA YADAV	177000	5.36%	177000	5.36%
COSMOS INDUSTRIES LIMITED	1979580	59.99%	1979580	59.99%
DEEPAK YADAV	308500	9.35%	308500	9.35%

2.2) There is no change in share capital as compared to previous year, hence no reconciliation is given.

2.3) Neither any share was issued as bonus shares nor any share was bought back by the company.



For Corporate Merchant Bankers Ltd.

[Signature]

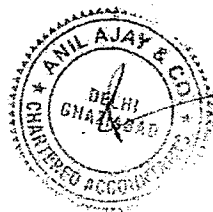
Director

CORPORATE MERCHANT BANKERS LIMITED**NOTE-3 : RESERVES & SURPLUS**

Particulars	As At 31.03. 2012		As at 31.03.2011	
<u>Profit & Loss Account</u>				
As per Last Balance Sheet	267546		98887	
ADD: Profit/Loss for the Year	7377	274923	168,659	267546
Total Rs.		274923		267546

NOTE-4 : OTHER CURRENT LIABILITIES

Particulars	As at 31.03. 2012	As at 31.03.2011
(d) Other Payable (specifying nature)		
Statutory Remittances	50500	32500
Total Rs.	50500	32500



For Corporate Merchant Bankers Ltd.

Director

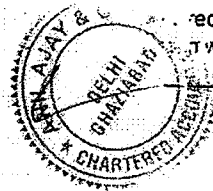
FIXED ASSETS

NOTE-5

CORPORATE MERCHANT BANKERS D

DESCRIPTION	Gross Block			Accumulated Depreciation and Impairment			Net Block	
	Balance as at 01.04.2011	Additions	Disposals	Total	Balance as at 01.04.2011	Depreciation/Amortisation Expenses for the year	eliminated on Disposal of assets	Balance as at 31.3.2012
Owened Assets								
Furniture & Fixtures	55,850			55,850	39,712	3535		16,138
Computers	122,900			122,900	2,78,708	19922		26,192
Office equipment	5,375			5,375	4,51	198		1,224
Total Rs.	184,125			184,125	140,571	23655		43554
Previous Year	129,275	54,850		184,125	12,512	17,859		6563
Notes:-					2781358			

7.1) The company has neither acquired any assets through 'business combination' nor 'other adjustments'. There is no effect on account of foreign currency exchange difference.
 7.2) Neither any assets is held for sales nor any assets has been revalued so far.
 7.3) There is no impact on depreciation as none of the asset is held for sale.
 7.4) Impairment loss is not recognised in statement of profit & loss account hence impact if any has not been taken in accumulated depreciation and impairment.



For Corporate Merchant Bankers Ltd.

[Signature]

Director

RENTAL

Cost)

by instrument
(pending)

of Quoted in
value of listed and
of listed but not the
of unquoted

RECEIVABLE

Considered

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NOTE 6 : NON CURRENT INVESTMENT

Particulars	31.03.2012	31.03.2011
Investments (At Cost)		
<u>Others Investments</u>		
Investment in Equity instruments : [Tirupati Sugar Ltd (pending for allotment)]	25975000	25975000
Total Rs.	25975000	25975000
Aggregate amount of Quoted investments	0	0
Aggregate market value of listed and quoted investment	0	0
Aggregate value of listed but not quoted investments	0	0
Aggregate amount of unquoted investments	25975000	25975000

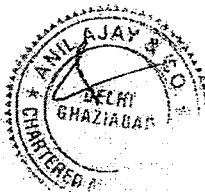
NOTE-7 : TRADE RECEIVABLES

Particulars	31.03.2012	31.03.2011
<u>Unsecured but Considered Good</u>		
(ii) Outstanding for a period exceeding six months (from the date they are due for payment)	2781358	2781358
	2,781,358	2,781,358

Notes:-

7.1) Short terms trade receivables due from directors etc. are :

Particulars	As at 31.03. 2012	As at 31.03.2011
Directors	-	-
Other Officers of the company	-	-
firms in which any director is a partner	-	-
Private Companies in which any director is a director or member	-	-



For Corporate Merchant Bankers Ltd.

Director

CORPORATE MERCHANT BANKERS LIMITED

NOTE-8 : CASH & CASH EQUIVALENTS

Particulars	As at 31.03. 2012	As at 31.03.2011
(A) Cash & Cash Equivalents		
(a) Balance with Banks		
(i) Scheduled In current a/c	40697	95897
(b) Cash on hand	300654	405954
Total Rs.	341351	501851

Notes:-

- 8.1) There is no earmarked balance with any bank, hence no such disclosure is made for it.
8.2) There is no margin money deposit against the bank guarantees.
8.3) There is no repatriation restriction with regards to any cash or bank balance shown above.

NOTE-9 : SHORT TERM LOANS & ADVANCES

Particulars	As at 31.03. 2012	As at 31.03.2011
(b) Other Loans & Advances		
(Unsecured Considered Good)		
(i) Sundry Advances	4,216,000	4,000,000
(ii) Advance Tax / TDS (Net of Provision)	(8,625)	
Total Rs.	4207375	4000000

Short Term loans & advances due from Directors etc are:

Particulars	As at 31.03. 2012	As at 31.03.2011
Directors	0	0
Other Officers of the company	0	0
firms in which any director is a partner	0	0
Private Companies/Trust in which any director is a director or member	4,216,000	4,000,000



For Corporate Merchant Bankers Ltd.

[Signature]

Director

CORPORATE MERCHANT BANKERS LIMITED

NOTE-10 : OTHER INCOMES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Other Income	0	486480
Interest	240000	
Total Rs.	240000	486480

NOTE-11 : EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
(a) Salaries and Wages	84000	198000
Total Rs.	84,000	198,000

NOTE-12 : OTHER EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Rent, Rates & Taxes	3500	3500
Advertisement	850	1200
Legal & Professional	9500	34000
Payments to the auditors	12500	12500
Travelling & Conveyance	5335	18245
Accounting Charges	6000	18000
Printing & Stationary	475	2755
Other Miscellaneous Expenses	1140	9915
	39300	100115



For Corporate Merchant Bankers Ltd.

[Signature]

Director

CORPORATE MERCHANT BANKERS LIMITED

Note 1:

ACCOUNTING POLICIES

(FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012 PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE)

1.1) Accounting Conventions

The financial statement of the company have been prepared in accordance with 'Indian GAAP' to comply with Accounting Standards Notified under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the companies Act 1956. The Financial Statements have been prepared on 'Accrual Basis' under the historical cost convention. The Accounting policies adopted in preparation of Financial Statements are consistent with those followed in previous year.

The Ministry of corporate Affairs issued a revised form of Schedule-VI on 28.02.2011, applicable from 01.04.2011 for the preparation & presentation of financial statements. The adoption of this revised Shedule-VI, does not impact the recognition and measurement of different items for preparation of the Financial Statements. However it has significant impact on presentation & disclosures made in Financial Statements. The accounting policies applied by the Company are consistent with those used in the previous period except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

1.2) Use of Estimates

The preparation of financial statements is in conformity with 'Indian GAAP' which requires the management to make estimates and exemptions considered in the reported amounts of the assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent & reasonable. Further results could differ due to use of such estimate with the actual results. In such circumstances the estimates are recognised in the periods in which the results are materialised and/or known.

1.3) Fixed Assets & Depreciation including Amortisation

(a) Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment loss if any. The cost of assets comprise of purchase price and directly attributable cost of bringing the assets to working condition for its intended use. Subsequent expenditure related to fixed assets is capitalised only if such expenditure increases the capacity of the plant.

(b) Depreciation of Fixed Assets have been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on prorata basis. Depreciation on fixed assets purchased during the year whose cost does not exceed Rs. 5000 is provided in full.

1.4) RECOGNITION OF OTHER INCOMES

Interest income is accounted on accrual basis however dividend income is accounting for when the right to receive is established.

1.5) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

There is no foreign currency transactions & translations

1.6) EMPLOYEE'S BENEFITS: There is no employee benefit during the year.

1.7) BORROWING COST:

Borrowing cost includes interest, amortisation of ancillary cost incurred and exchange difference arising from foreign currency borrowings. Borrowing cost allocated to and utilised for qualifying assets upto the date of capitalisation shall be treated as cost of assets.

1.8) SEGMENT REPORTING:

The enterprise does not deal in multiple products / services and do not operate in different geographical areas hence is not exposed to different risk & returns and accordingly the said AS 17 is not applicable to the company thereby disclosure required in above AS are not required to be given.

For Corporate Merchant Bankers Ltd.

Director



1.9) EARNING PER SHARE (EPS):

Basic earning per share is computed by dividing the profit after tax by the weighted average number of equity share outstanding during the year. Diluted earning per share is not applicable to the company.

1.10) TAXES ON INCOME

(a) Current Tax : It is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961

(b) Deferred tax: It is recognized on timing difference, being the differences between the taxable income and the accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax asset in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

1.11) PROVISIONS AND CONTINGENCIES

(a) Provisions : These are recognised when the company has a present obligation as a result of past events and it is probable that an outflow of the resources will be required to settle the obligations in respect of which a reliable estimation can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligations at the balance sheet date. These are being reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(b) Contingencies: These are recognised at the time of preparation of financial statement.

For Anil Jay & Company
Chartered Accountants
(Anil Jay & Company)
(PARTNER)
CHANDIGARH

[Signature]

(DIRECTOR)

[Signature]

(DIRECTOR)

PLACE : Delhi

DATE : 29.08.2012

For Corporate Merchant Bankers Ltd.

[Signature]

Director

CORPORATE MERCHANT BANKERS LIMITED
Regd. Office: 101, First Floor, N - 27, South Extension Part - 1, New Delhi - 110049

PROXY FORM

I/We _____ of _____
Company hereby appoint _____ of _____ being member/members of the above named
_____ or failing him/her
_____ as my/our Proxy to vote for
me/us behalf at the Annual General Meeting of the Company to be held on Saturday the 29th September, 2012 at 10:00 a.m. at
101, First Floor, N - 27, South Extension Part - 1, New Delhi - 110049 and at any adjourned meeting thereof.

Signed this _____ day of _____ 2012.

Signature _____

Regd. Folio _____

DP. Id. No.* _____

Client Id No.* _____

No. of Shares _____

Address _____

Affix
Revenue Stamp

Note: The form should be signed across the stamp as per specimen signature registered with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

-----Tear Here-----

CORPORATE MERCHANT BANKERS LIMITED
Regd. Office: 101, First Floor, N - 27, South Extension Part - 1, New Delhi - 110049

ATTENDANCE SLIP

Regd. Folio No. _____

DP. Id. No.* _____

Client Id No.* _____

Mr./Ms. _____

Father's/Husband's Name _____

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at 101, First Floor, N - 27, South Extension Part - 1, New Delhi - 110049 at 10:00 a.m. on Saturday the 29th September, 2012.

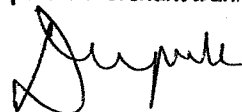
Members'/Proxy's Name in BLOCK Letters _____

Members'/Proxy's Signature _____

- Note:
- 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
 - 2) Member's Signature should be in accordance with the specimen signature registered with the Company.
 - 3) Please bring your copy of the Annual Report for reference at the Meeting.

* Applicable for investors holding shares in electronic form.

For Corporate Merchant Bankers Ltd.


Director

