
CMS FINVEST LIMITED

(Formerly known as : CMS INFOTECH LIMITED)

Nineteenth Annual Report 2009 - 2010

BOARD OF DIRECTORS

SHRI NIRAJ PRAKASH KHETAN, Managing Director
SHRI SANDEEP DEY
SHRI SUBRAT KUMAR ACHARYA
SHRI THAKUR PRASAD

SECRETARY

SHRI NAWIN LAHOTY

AUDITORS

JMP ASSOCIATES
Chartered Accountants

BANKERS

CANARA BANK
KOTAK MAHINDRA BANK

REGISTRARS & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, KOLKATA - 700 001
PHONE : (033) 2243-5029 / 5809
FAX : (033) 2248-4787

REGISTERED OFFICE

10, PRINCEP STREET
2ND FLOOR
KOLKATA - 700 072
PHONE : 4002-2880
FAX : 91-33-2237-9053
E-MAIL : info@cmsinfotech.com
WEBSITE : www.cmsinfotech.com

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of CMS Finvest Limited will be held at "Somani Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata 700 001 on Tuesday, 21st September, 2010 at 12.00 Noon to transact the following businesses :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Subrat Kumar Acharya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. JMP Associates, Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office :

10, Princep Street
2nd Floor
Kolkata - 700 072
Dated : 26th May, 2010

By order of the Board
For **CMS Finvest Limited**

Nawln Lahoty
Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2nd Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.

3. Corporate members are requested to send to the Company's head office a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2010 to Tuesday, 21st September, 2010 (both days inclusive).
4. The Register of Directors Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
5. Brief Profile of the Director seeking re-appointment at the ensuing AGM is annexed hereto in compliance of Clause 49 of the Listing Agreement with Stock Exchange.
6. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2nd Floor, Kolkata 700 001.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Members are requested to quote the Folio No. or Client Id. and DP Id numbers in all communications with the Company.

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Report &

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are given below :

Particulars	(Rs.) Year ended 31.03.2010	(Rs.) Year ended 31.03.2009
Profit/(Loss) before Taxation	12,34,552.43	1,87,448.05
Less : Provision for Tax - Current	1,80,739.00	56,566.00
- Deferred	3,72,257.00	27,015.00
Profit/(Loss) after Taxation	6,81,556.43	1,57,897.05
Add : Excess Provision written back	2,321.00	6,692.00
Balance brought forward from previous year	(95,24,758.83)	(96,57,768.88)
Transfer to Reserve Fund	1,49,100.00	31,579.00
Balance carried to Balance Sheet	(89,89,981.40)	(95,24,758.83)

2. DIVIDEND

To conserve the resources of the Company for future expansion, the Board have decided not to recommend any dividend for the year under review.

3. PERFORMANCE REVIEW

The performance of the Company during the current year has not improved in comparison to previous year due to several reasons. However, your Directors are making all efforts to improve the performance of the Company in the current year.

4. LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on three Indian Stock Exchanges viz. Bombay Stock Exchange (BSE), Ahmedabad Stock Exchange (ASE) and Calcutta Stock Exchange (CSE).

Company's shares are not traded in material volumes at stock exchanges other than BSE. BSE account for more than 95% of the traded volumes of the Company's shares and have extensive networking of trading terminals, which facilitates trading by Members/Investors.

Listing fees for the financial year 2010-11 have been paid to BSE, ASE and CSE.

5. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

6. DIRECTORS**(i) Re-appointment :**

As per the provisions of the Article of Association of the Company, Shri Subrat Kumar Acharya, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment for consideration of the shareholders.

7. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. That 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;
- d. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2010 on a going concern basis.

8. AUDITORS' REPORT

All the items on which the Auditors have commented in their report have been explained in Schedule-20 of Notes on Accounts.

9. AUDITORS

Messers. V. Lohia & Co., Chartered Accountants, had resigned as Auditors of the Company and Messers JMP Associates, Chartered Accountants were subsequently appointed as Auditors of the Company at the Extra Ordinary General Meeting held on 30th October, 2009. They have confirmed that their appointment is in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

10. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

11. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

12. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

13. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchange, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to this report.

The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Code of Conduct is available on the Company's website www.cmsinfotech.com. The Board members and Senior management personnel have confirmed compliance with the said code.

14. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

15. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors' place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

Registered Office :

10, Princep Street
2nd Floor
Kolkata - 700 072

Dated : 26th May, 2010

By order of the Board of Directors
For CMS Finvest Limited

Niraj Prakash Khetan
Managing Director

Sandeep Dey
Director

REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed in Bombay Stock Exchange, Ahmedabad Stock Exchange and Calcutta Stock Exchange. Accordingly, the Corporate Governance Report for the year 2009-2010, which has been prepared as per the guidelines issued by SEBI and incorporated in Clause 49 of the Equity Listing Agreement :-

Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organisation is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that directs the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavours to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

Para 2. BOARD OF DIRECTORS

(i) Composition of the Board :

The Composition of the Board of Directors of the Company consists of qualified executive and non- executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31st March, 2010 is given below :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships(+)	Committee(++)	
				Chairman	Member
1	Shri Niraj Prakash Khetan - Managing Director	Executive	—	—	—
2	Shri Sandeep Dey	Non-Executive & Independent	4	—	—
3	Shri Subrat Kumar Acharya	Non-Executive & Independent	—	—	—
4	Shri Thakur Prasad	Non-Executive & Independent	—	—	—

(+) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(++) Represents chairmanship/membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies, in which they are director.

(ii) The attendance of the Directors at the Board meetings and the last AGM held are given below :

Name of the Director	No. of Meetings		Attendance at last AGM - held on 24th September, 2009
	Held	Attended	
Shri Niraj Prakash Khetan - M.D.	8	8	Yes
Shri Sandeep Dey	8	7	Yes
Shri Subrat Kumar Acharya	8	7	No
Shri Thakur Prasad	8	7	Yes

Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

Name of the Director	Shri Subrat Kumar Acharya
Date of Birth	20th July, 1965
Date of Appointment	26th December, 2005
Qualification	Company Secretary
Expertise in specific functional area	Shri Acharya is having wide experience in Corporate Law and related matters.
Directorship of other Companies (*)	None
Chairman/Membership in the Committees	None
Shareholding in Equity Shares of the Company and % of holding	Nil

(*) Excludes directorships in private limited companies and organisations other than public limited companies.

(iii) Directors' membership in board/committees of other companies :

As per the Listing Agreement, no Director can be a Member in more than 10 (Ten) committees or act as Chairman of more than 5 (Five) committees across all companies in which he is a Director.

In terms of the Listing Agreement, none of the Directors of your Company were Members in more than 10 (ten) committees nor acted as Chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

(iv) Number of Board meetings held, dates on which held :

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2009-10, Board met 8 (Eight) times on 25/04/2009, 29/06/2009, 29/07/2009, 01/09/2009, 03/10/2009, 28/10/2009, 22/01/2010 and 02/02/2010. The gap between any two Board Meetings did not exceed four months.

Para 3. AUDIT COMMITTEE

(i) Brief description of the terms of reference:

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to :

- the appointment of statutory auditors of the Company,
- provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- it acts as a link between the management, statutory auditors and the Board of Directors,
- Company's compliance with the legal and statutory requirements.

(ii) Composition and Name of members :

The Audit Committee, presently, consists of 3 (three) Independent Members. The following directors are the present Members of the Committee :

Name of the Members	Designation	Nature of Membership
Shri Thakur Prasad	Chairman	Independent & Non-Executive
Shri Subrat Kumar Acharya	Member	Independent & Non-Executive
Shri Sandeep Dey	Member	Independent & Non-Executive

All the Members of the Audit Committee are financially literate and Shri Thakur Prasad, Chairman possesses financial /accounting expertise. Shri Nawin Lahoty, Company Secretary also acts as the Secretary to the Audit Committee.

(iii) Meetings held and attendance during the year :

During the financial year 2009-10, the Audit Committee met 5 (Five) times on 24.04.2009, 27.06.2009, 27.07.2009, 27.10.2009 and 21.01.2010.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Thakur Prasad - Chairman	5	5
2	Shri Sandeep Dey	5	5
3	Shri Subrat Kumar Acharya	5	5

Para 4. REMUNERATION COMMITTEE.**Details of sitting fees, remuneration etc. paid to Directors :**

Rs. 1,94,570/- has been paid to Shri Niraj Prakash Khetan, Managing Director of the Company at different time pursuant to the agreement with the Company whose appointment and remuneration has been fixed by the Board and also in terms of resolution passed by the shareholders of the Company.

In view of this, no Remuneration Committee has been constituted.

Para 5. SHARETRANSFER AND INVESTORS' GRIEVANCE COMMITTEE**Brief description of the terms of reference :**

The Share Transfer & Investors' Grievance Committee administers the following :

- a. Transfer of shares
- b. Transmission of shares
- c. Issuance of duplicate share certificates as and when required
- d. Shareholders' queries / complaints and its redressal as and when received
- e. Dematerialisation / Rematerialisation of shares
- f. Split / consolidation of shares
- g. Such other matters resulting from statutory amendments / modifications from time to time.

(i) Composition and name of the Chairman :

The Committee comprises of the following persons :

Name of the Members	Designation	Nature of Membership
Shri Subrat Kumar Acharya	Chairman	Independent & Non-Executive
Shri Sandeep Dey	Member	Independent & Non-Executive
Shri Thakur Prasad	Member	Independent & Non-Executive

During the financial year 2009-10, the Share Transfer and Investors Grievance Committee met 2 (Two) times on 15.05.2009 and 15.09.2009.

Members of Share Transfer and Investors Grievance Committee	No. of meetings held	No. of meetings attended
Shri Subrat Kumar Acharya - Chairman	2	2
Shri Sandeep Dey	2	2
Shri Thakur Prasad	2	2

(ii) Name and designation of compliance officer :

As per the requirements of the Listing Agreement, Shri Nawin Lahoty, Company Secretary acts as the Compliance Officer.

(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2009-10 :

No. of complaints received	No. of complaints resolved	Pending
Nil	Nil	Nil

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

As on 31st March 2010, there were no pending complaints and no pending share transfers.

Para 6. GENERAL BODY MEETINGS

(i) Location and Time of last three Annual General Meeting (AGM) :

The location and time of the last three AGMs are as follows :

Year	Date	Venue	Time
2008-09	15.09.2009	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	12.00 Noon
2007-08	23.09.2008	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	12.30 p.m.

2006-07	20.09.2007	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	12.00 Noon
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(ii-a) Details of special resolutions passed in the previous three AGMs :

No Special Resolution has been passed in the previous three Annual General Meeting.

(ii-b) Details of special resolutions passed in EGMs held in the previous three years :

No Special Resolution has been passed in the previous three Extra Ordinary General Meeting.

(iii) to (iv) Special resolution passed during the financial year 2009-10 through the Postal ballot :

The following resolution was passed as Special Resolution through Postal Ballot at the Extra Ordinary General Meeting held on 1st March, 2010.

"RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Main Object clause of the Company be and is hereby altered by inserting the following clause 1 before the existing sub clause 1 under IIIA of the Memorandum of Association and the remaining clause shall be renumbered accordingly :-

1. To act as financiers with the object of financing industrial enterprises, to lend or deal with the money either with or without interest or security, including in current or deposit account with any Bank or Banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as the Company may approve provided that the Company shall not do any Banking business as defined under the Banking Regulations Act, 1949 and not to carry on the Chit fund Business.

(v) to (vi) Postal ballot during the current year :

For the financial year 2009-10, if resolutions are to be conducted through the Postal Ballot procedure, those will be taken up at the appropriate time.

Para 7. DISCLOSURES

(i) Disclosure of materially significant related party transactions :

During the year 2009-10, there has been no materially significant related party transaction/pecuniary material relationship entered into by the Company with the management or their relatives that may have a potential conflict with the interest of the Company at large.

(ii) Details of non-compliance by the Company :

The Company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as the Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI).

(iii) Whistle Blower Policy :

The Company has not established whistle blower policy.

(iv) Details of compliance with the mandatory requirements :

Your Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report.

Para 8. MEANS OF COMMUNICATION

(i) Quarterly results :

The Quarterly and Annual Results of the Company are communicated immediately to the stock exchanges upon conclusion of the Board Meeting convened to consider the same.

(ii) Newspapers wherein results are normally published :

The Financial Results of the Company are published in "Business Standard" and in "Dainik Lipi".

(iii) to (v) Any website, where displayed :

The Results are displayed on the Company's website at www.cmsinfotech.com.

Full Annual Reports for the financial year 2009-10, Code of Conduct for the Board of Directors and Senior Management Personnel and other relevant informations are also available on the website of the Company in a user-friendly and downloadable form.

Para 9. GENERAL SHAREHOLDER INFORMATION

(i) AGM : Date, time and venue :

The forthcoming Annual General Meeting of the Company will be held as given below :

Date & Time	21st day of September, 2010 at 12.00 Noon
Venue	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001.

(ii) Financial year :

Financial Year is 1st April, 2010 to 31st March, 2011 and the quarterly results will be declared as per the following schedule :

Tentative schedule	
Financial Results for the quarter ending June 30, 2010	End of July 2010
Financial Results for the quarter ending September 30, 2010	End of October 2010
Financial Results for the quarter ending December 31, 2010	End of January 2011
Financial Results for the year ending March 31, 2011	End of June 2011
AGM for the year ending March 31, 2011	Mid of September 2011

(iii) Date of Book closure :

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, 14th September, 2010 to Tuesday, 21st September, 2010 (both days inclusive).

(iv) Dividend Payment Date :

No dividend has been recommended by the Board for the year under review.

(v) Listing on Stock Exchanges :

Your Company's shares are listed on the following Stock Exchanges as on 31st March, 2010.

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.
2. The Calcutta Stock Exchange Association Limited
7, Lyons Range,
Kolkata 700 001.
3. The Stock Exchange, Ahmedabad
Kamdhenu Complex,
Panjara Pole, Near Polytechnic,
Ahmedabad 380 015.

Listing fees the financial year 2010-11 have been paid to BSE, CSE.

CMS FINVEST LIMITED

(Formerly known as : CMS INFOTECH LTD.)

(vi) Stock Code :

Name of the Exchange	Code
Bombay Stock Exchange Limited	532104
The Calcutta Stock Exchange Association Limited	10019100
International Securities Identification Number (ISIN)	INE 915A01011

(vii) to (viii) Market Price Data : High, Low during each month in the last financial year :

There has been no trading in any of the listed Stock Exchanges during the financial year 2009-10.

(ix) Registrar and Transfer Agents :

The Board has delegated the work of processing of share transfers to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents. Their complete address is as follows :

Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor, Kolkata-700 001.
Tel No. : (033) 2243-5029 / 5809
Fax No. : (033) 2248-4787

(x) Share Transfer System :

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited within the statutory time period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.

(xi) Distribution of Shareholding :

The distribution of shareholding as on 31st March 2010, pursuant to Clause 35 of the Listing Agreement is as under :

A. Shareholding Pattern of Equity Shares as on 31st March, 2010 :-

	Categories	No. of Shares held	% of Shareholding
A	PROMOTERS' HOLDING		
1.	Promoters :		
	a) Indian Promoters	1652200	11.8049
	b) Foreign Promoters	—	—
2.	Persons Acting in concert	—	—
	Sub-total	1652200	11.8049
B	NON PROMOTERS' HOLDING		
3.	Institutional Investors :		
	a) Mutual Funds and UTI	—	—
	b) Banks, Fis, Insurance Companies	—	—
	c) Foreign Institutional Investors	—	—
	Sub-total	—	—
4.	Others		
	a) Private Corporate Bodies	10654339	76.1247
	b) Indian Public	1688761	12.0661
	c) NRIs / OCBs	600	0.0043
	d) Any Other	—	—
	Sub-total	12343700	88.1951
	Grand Total	13995900	100

Note : Total Foreign Shareholding is 600 (0.0043%)

B. Distribution of Equity Shareholding as on 31st March, 2010 :

No. of Equity Shares held	No. of shareholders holding shares in			No. of shares held			% age of equity capital held in		
	Physical	NSDL	CDSL	Physical	NSDL	CDSL	Physical	NSDL	CDSL
1 to 1000	1891	1289	300	935916	336113	79375	6.6871	2.4016	.5671
1001 to 5000	35	116	29	65700	217978	49150	.4694	1.5574	.3512
5001 to 10000	1	4	2	6400	29690	13300	.0457	.2121	.0950
10001 to 50000	9	3	0	222200	76000	0	1.5876	.5430	0
50001 to 100000	2	6	0	200000	467900	0	1.4290	3.3431	0
100001 to 9999999	1	13	1	244000	10871857	180321	1.7434	77.6789	1.2884
Total :	1939	1431	332	1674216	11999538	322146	11.9622	85.7361	2.3017

(xli) Dematerialisation of shares and liquidity :

As on 31st March, 2010, 88.04% of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

(xlii) Outstanding GDRs / ADRs / Warrants or any Convertible instruments :

As of 31st March, 2010, there are no outstanding GDRs/ADRs/Warrants or convertible instruments which are likely to have an impact on the Equity Shares.

(xiv) Plant Locations :

The Company does not have any plant.

(xv) Address for correspondence :

Investors' correspondence may be addressed to :-

1. The Company Secretary
CMS Finvest Limited
10, Princep Street,
2nd Floor, Kolkata - 700 072
Phone : (033) 4002-2880
Fax : (033) 2237-9053
2. Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone : (033) 2243-5029 / 5809
Fax : (033) 2248-4787

(xvi) E-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors : info@cmsinfotech.com

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

The Management's Discussion and Analysis Report forms part of the Director's Report.

CODE OF CONDUCT :

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel and the same has been posted in the Company's website (www.cmsinfotech.com). The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2009-10.

A declaration to this effect is given elsewhere in this Annual Report.

RISK MANAGEMENT POLICY :

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company.

**ANNUAL DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT PURSUANT TO
CLAUSE 49(I)(D) OF THE LISTING AGREEMENT**

I, Niraj Prakash Khetan, Managing Director of **CMS FINVEST LIMITED** having its registered office at 10, Princep Street, 2nd Floor, Kolkata - 700 072 hereby declare that the Company has formulated a Code of Conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed the compliance of the code for the financial year 2009-10.

Place : Kolkata
Dated : 26th May, 2010

Sd/-
Niraj Prakash Khetan
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of CMS Finvest Limited

We have examined the compliance of conditions of Corporate Governance by CMS Finvest Limited (the Company) for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the 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.

Place : Kolkata
Dated : 26th May, 2010

For **JMP ASSOCIATES**
Chartered Accountants
MANISH GADIA
Partner
Membership No. 059677

**CERTIFICATION BY
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year, ending 31st March 2010, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

1. These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - (a) there have been no significant changes in internal control system during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Niraj Prakash Khetan
Managing Director

Mahesh Daruka
Chief Financial Officer

Place : Kolkata

Dated : 26th May, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT - Overview :

The BSE Sensex has crossed the 16000 mark during the current year, which shows that there can be substantial growth in the equity investment and finance companies. With this trend, your company is expected to see a bright future.

We witness that NBFC sector, in India, are facing stiff competition from different banks and financial institutions. The cost of funds of the banks is lower as compared to NBFC's. Not only this, they have a very wide network and huge capital base which makes them more attractive than NBFC's. However as the market is volatile in nature, the long term growth of capital market calls for a matter of concern.

Opportunities, Threats, Risks and Concerns :

Your company sees opportunities in the market with existing and new customers. Your company has dedicated accounts team to focus on each customer. Rising input costs and volatility in material, energy are some of the key challenges that your company is addressing by specific initiatives for each.

The Company has its own specific risks that are particular to its business including default risk, fluctuation of interest rates, economic cycles etc. The volatility of the market is a matter of concern. However economic parameters being strong will unurge the economy. Your company has a well defined and prudent business practice and a comprehensive Risk Management Policy to manage this risk.

Future Outlook :

Your Company intends to invest in businesses related to infrastructure, telecommunication, software etc in the coming years since it sees good prospect in these areas. It would definitely try to establish itself and remain as a strong player in the finance industry. With the capital market expected to be in a better mode than the previous few years and with our efforts we can look forward to a prosperous year for the company.

Internal Control Systems and their adequacy :

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure :

- That all assets and resources are used efficiently and are adequately protected;
- That all internal policies and statutory guidelines are complied within letter & spirit;
- ◆ The accuracy and timing of financial reports and management information.

Material Development in Human Resources/Industrial Relations front number of people employed :

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

Financial and Operational Performance :

The financial statements have been prepared in compliance with the requirements of the Companies act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

Cautionary Statement :

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc whether expressed or implied.

AUDITORS' REPORT

**TO THE SHAREHOLDERS OF
CMS FINVEST LIMITED**

1. We have audited the attached Balance Sheet of **CMS FINVEST LIMITED** as at **31st March, 2010** and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on the 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 conducted our audit in accordance with auditing assurance 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 the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) 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 such books ;
 - c) The Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - d) In our opinion, subject to note no. 5, 6 & 7 of Schedule 'M' of Notes on Accounts, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
 - e) In our opinion and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 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 statement of accounts subject to Notes of Schedule - 'M',

CH LTD.)
CMS FINVEST LIMITED

(Formerly known as : CMS INFOTECH LTD.)

1. Note no. 5 regarding non provision for non performing assets.
2. Note no. 6 regarding valuation of unquoted shares at cost instead of lower of cost and breakup value and
3. Note no. 7 regarding non provision against unmoved inventories of listed shares which could not be physically verified

As per the prudential norms as prescribed by the Reserve Bank of India, the impact of which on the company's Profit / Reserve is not ascertainable at this stage

and read together with significant accounting policies and other notes thereon give the information required under the Companies Act, 1956 in the manner so required and a true and fair view in conformity with the accounting principles generally accepted in India :

1. In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2010, and
2. In the case of the Profit & Loss Account, of the profit for the year ended on that date.
3. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata
Dated : 26th May, 2010

For **JMP ASSOCIATES**
Chartered Accountants
MANISH GADIA
Partner
Membership No. 059677

Annexure to Auditors' Report of CMS Finvest Limited
Referred to in paragraph 2 of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and valuation of Fixed Assets.
(b) The Fixed Assets of the company have been physically verified and reconciled by the management during the year and no material discrepancies were noticed on such verification.
(c) No fixed assets are sold/disposed off during the year. Hence, the going concern concept is not affected.
2. (a) The stock of raw materials, stores & spare parts and finished goods have been physically verified by the management at reasonable intervals during the year.
(b) The procedure followed by the management for physical verification of the stock is reasonable and accurate in respect to the size of the company and nature of its business.
(c) The company is maintaining proper records of inventories and the discrepancies, not material, between the physical verification of the stock as compared to the book stock have been properly dealt with in the books of accounts.
3. The Company has not granted loans or taken loan from any party which is covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(II) of the Companies (Auditor's Report) Order, 2003, is not applicable.
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 purchases of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have observed any major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of each party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. Maintenance of cost record has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the Company.
9. (a) The Company is regular in depositing with appropriate authorities undisputed income tax and there are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable. Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess are as applicable to the company.
(b) According to information and explanations given to us, there are no disputed amounts that are unpaid, in respect of Income Tax, Provident Fund, Investor Education and Protection Fund,

Employees State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess are as applicable to the company.

10. The accumulated loss of the company at the end of the financial year are not more than fifty percent of its net worth. Further, the company has not incurred any cash loss in the financial year covered by our audit or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or bank or to debenture holders during the year.
12. In our opinion and according to the information and explanations 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.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit funds/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures or other investment. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others, from banks or financial institutions.
16. According to the information and explanation given to us, the company has not obtained any term loans. Accordingly, the provisions of clause 4(xvi) are not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term purposes.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. There are no debentures issued by the Company. Hence the question of creation of security does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanation given to us, the company has not made any allotment of shares during the financial year and hence, provisions of clause 4(xviii) of the Order are not applicable.
22. 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 **JMP ASSOCIATES**
Chartered Accountants
MANISH GADIA
Partner
 Membership No. 059677

Place : Kolkata
 Dated : 26th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	P.	Rs.	P.
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUND					
(a) Share Capital	A	13,99,59,000.00		13,99,59,000.00	
(b) Reserves & Surplus	B	1,93,53,028.00		1,92,03,928.00	
TOTAL FUNDS EMPLOYED		<u>15,93,12,028.00</u>		<u>15,91,62,928.00</u>	
APPLICATION OF FUNDS					
1. DEFERRED TAX ASSETS					
			2,87,380.00		6,59,637.00
2. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories		13,21,64,639.77		13,35,24,353.09	
(b) Sundry Debtors	C	39,44,646.39		37,50,000.00	
(c) Cash & Bank Balances	D	29,48,552.44		21,280.57	
(d) Other Current Assets	E	3,14,821.00		7,78,321.00	
(e) Loans & Advances	F	1,11,16,709.00		1,12,16,709.00	
		<u>15,04,89,368.60</u>		<u>14,92,90,663.66</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
(a) Current Liabilities	G	2,01,343.00		2,21,993.49	
(b) Provisions	H	2,53,359.00		90,138.00	
		<u>4,54,702.00</u>		<u>3,12,131.49</u>	
3. NET CURRENT ASSETS			15,00,34,666.60		14,89,78,532.17
4. MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)			—		—
PROFIT & LOSS ACCOUNT					
(As per annexed account)			89,89,981.40		95,24,758.83
TOTAL FUNDS UTILISED		<u>15,93,12,028.00</u>		<u>15,91,62,928.00</u>	
SIGNIFICANT ACCOUNTING POLICIES	L				
NOTES ON ACCOUNTS	M				

As per our Report of even date

For **JMP ASSOCIATES**
Chartered Accountants

MANISH GADIA
Partner

Membership No. 059677

NIRAJ PRAKASH KHETAN
Managing Director

NAWIN LAHOTY
Secretary

SANDEEP DEY
Director

Place : Kolkata

Dated : 26th day of May, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Rs.	P.	Rs.	P.
INCOME					
Sale of Shares		14,28,72,076.86		3,12,28,416.10	
Other Income	I	32,409.00		13,79,058.00	
Increase / (Decrease) in Inventories	J	(13,59,713.32)		1,50,52,545.88	
		<u>14,15,44,772.54</u>		<u>4,76,60,019.98</u>	
EXPENDITURE					
Purchase of Share		13,98,64,500.00		4,68,60,662.90	
Administrative & Other Expenses	K	4,45,720.11		6,11,909.03	
		<u>14,03,10,220.11</u>		<u>4,74,72,571.93</u>	
		12,34,552.43		1,87,448.05	
Profit / (Loss) Before Taxation					
Less : Provision For Taxation :-					
a) Current Tax				58,000.00	
- Current Year (MAT)		1,90,738.00		2,778.00	
- Earlier Year Adjustment		9,999.00		1,344.00	56,566.00
- Fringe Benefit Tax		—	1,80,739.00	—	27,015.00
			<u>3,72,257.00</u>		<u>1,57,897.05</u>
b) Deferred Tax			6,81,556.43		6,692.00
Profit / (Loss) After Taxation					
Add : Excess Provision Written Back			2,321.00		(96,57,768.88)
Balance brought forward from previous year			(95,24,758.83)		(94,93,179.83)
			<u>(88,40,881.40)</u>		<u>(88,40,881.40)</u>
Surplus available for Appropriation					
APPROPRIATIONS					
Less : Transfer to Reserve Fund			1,49,100.00		31,579.00
Balance Carried to Balance Sheet			(89,89,981.40)		(95,24,758.83)
			<u>(88,40,881.40)</u>		<u>(94,93,179.83)</u>
Basic & Diluted Earning per Share					
			0.05		0.01
Face Value per Share					
			10.00		10.00

SIGNIFICANT ACCOUNTING POLICIES L

NOTES ON ACCOUNTS M

As per our Report of even date

For **JMP ASSOCIATES**
Chartered Accountants

MANISH GADIA
Partner

Membership No. 059677

NIRAJ PRAKASH KHETAN
Managing Director

NAWIN LAHOTY
Secretary

SANDEEP DEY
Director

Place : Kolkata
Dated : 26th day of May, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Rs.	P.	Rs.	P.
INCOME					
Sale of Shares		14,28,72,076.86		3,12,28,416.10	
Other Income	I	32,409.00		13,79,058.00	
Increase / (Decrease) in Inventories	J	(13,59,713.32)		1,50,52,545.88	
		<u>14,15,44,772.54</u>		<u>4,76,60,019.98</u>	
EXPENDITURE					
Purchase of Share		13,98,64,500.00		4,68,60,662.90	
Administrative & Other Expenses	K	4,45,720.11		6,11,909.03	
		<u>14,03,10,220.11</u>		<u>4,74,72,571.93</u>	
Profit / (Loss) Before Taxation		12,34,552.43		1,87,448.05	
Less : Provision For Taxation :-					
a) Current Tax					
- Current Year (MAT)		1,90,738.00		58,000.00	
- Earlier Year Adjustment		9,999.00		2,778.00	
- Fringe Benefit Tax		—	1,80,739.00	1,344.00	56,566.00
b) Deferred Tax					
			3,72,257.00		27,015.00
Profit / (Loss) After Taxation		6,81,556.43		1,57,897.05	
Add : Excess Provision Written Back		2,321.00		6,692.00	
Balance brought forward from previous year		(95,24,758.83)		(96,57,768.88)	
Surplus available for Appropriation		(88,40,881.40)		(94,93,179.83)	
APPROPRIATIONS					
Less : Transfer to Reserve Fund		1,49,100.00		31,579.00	
Balance Carried to Balance Sheet		(89,89,981.40)		(95,24,758.83)	
		<u>(88,40,881.40)</u>		<u>(94,93,179.83)</u>	
Basic & Diluted Earning per Share			0.05		0.01
Face Value per Share			10.00		10.00
SIGNIFICANT ACCOUNTING POLICIES L					
NOTES ON ACCOUNTS M					

As per our Report of even date

For JMP ASSOCIATES
Chartered Accountants

NIRAJ PRAKASH KHETAN
Managing Director

MANISH GADIA
Partner

NAWIN LAHOTY
Secretary

SANDEEP DEY
Director

Place : Kolkata
Dated : 26th day of May, 2010

Membership No. 059677

CASH FLOW STATEMENT

<u>DESCRIPTION</u>	<u>Year ended 31st March, 2010 (Rs.)</u>	<u>Year ended 31st March, 2009 (Rs.)</u>
A. Cash Flow from Operating Activities		
Net Profit, Before Tax & Extraordinary Items	12,34,552.43	1,87,448.05
Adjustments for :		
Dividend Received	(2,574.00)	—
Preliminary Expenses written off	—	—
Operating Profit before Working Capital Changes	12,31,978.43	1,87,448.05
Changes In :-		
Inventories	13,59,713.32	(1,50,52,545.88)
Trade & Other Receivables	(1,94,646.39)	—
Other Current Assets	4,63,500.00	2,14,193.00
Loans & Advances	1,00,000.00	1,48,26,612.00
Trade & Other Payables	11,100.50	(46,744.63)
	29,71,645.86	1,28,962.54
Direct Taxes Paid	(15,197.00)	(2,92,274.00)
Net Cash from Operating Activities (A)	29,56,448.86	(1,63,311.46)
B. Cash Flow from Investing Activities		
Dividend Received	2,574.00	—
Net Cash Flow from Investing Activities (B)	2,574.00	—
C. Cash Flow from Financing Activities		
Net Cash Flow from Financing Activities (C)	—	—
Net Increase in Cash and Cash Equivalents (A+B+C)	29,59,022.86	(1,63,311.46)
Cash and Cash Equivalents (Opening Balance)	(10,470.42)	1,52,841.04
Cash and Cash Equivalents (Closing Balance)	29,48,552.44	(10,470.42)

As per our Report of even date

For JMP ASSOCIATES
Chartered AccountantsMANISH GADIA
Partner

Membership No. 059677

NIRAJ PRAKASH KHETAN
Managing DirectorNAWIN LAHOTY
SecretarySANDEEP DEY
Director

Place : Kolkata

Dated : 26th day of May, 2010

SCHEDULES (Contd.)

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	P.	Rs.	P.
SCHEDULE - E				
OTHER CURRENT ASSETS				
Fringe Benefit Tax				
Income Tax Paid		3,240.00		1,896.00
Tax Deducted at Source		19,307.00		—
		<u>2,92,274.00</u>		<u>7,76,425.00</u>
		<u>3,14,821.00</u>		<u>7,78,321.00</u>

SCHEDULE - F

LOAN & ADVANCES

Loans (Unsecured, considered good)				
- To Bodies Corporate		1,06,16,709.00		1,06,16,709.00
Advances Recoverable in cash or in kind or for value to be received		—		—
Advances Considered Doubtful		5,00,000.00		6,00,000.00
		<u>1,11,16,709.00</u>		<u>1,12,16,709.00</u>

SCHEDULE - G

CURRENT LIABILITIES

Overdraft Bank Balance		—		31,750.99
Other Liabilities		2,01,343.00		1,90,242.50
		<u>2,01,343.00</u>		<u>2,21,993.49</u>

SCHEDULE - H

PROVISIONS

Provision for Current Taxation		2,48,738.00		85,517.00
Provision for Fringe Benefit Tax		4,621.00		4,621.00
		<u>2,53,359.00</u>		<u>90,138.00</u>

CMS FINVEST LIMITED

(Formerly known as : CMS INFOTECH LTD)

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	P.	Rs.	P.
SCHEDULE - I				
OTHER INCOME				
Dividend on Inventory of Shares		2,574.00		
Interest on Unsecured Loans (Gross including TDS Rs. Nil, Previous year Rs. 2,92,274/-)				13,60,433.00
Interest on Income Tax Refund		29,835.00		15,855.00
Miscellaneous Receipt				2,770.00
		<u>32,409.00</u>		<u>13,79,058.00</u>
SCHEDULE - J				
INCREASE/(DECREASE) IN INVENTORIES				
Closing Inventory		13,21,64,639.77		13,35,24,353.09
Less : Opening Inventory		13,35,24,353.09		11,84,71,807.21
		<u>(13,59,713.32)</u>		<u>1,50,52,545.88</u>
SCHEDULE - K				
ADMINISTRATIVE & OTHER EXPENSES				
Advertisement		12,925.00		10,175.00
Auditors Remuneration				
Statutory Audit Fees	5,515.00		5,515.00	
Tax Audit Fees	5,515.00		5,515.00	
Certification Matter	552.00		2,799.00	
Bank Charges		11,582.00		13,829.00
Custodian Charges		1,888.00		2,586.00
Director Remuneration		51,408.60		34,665.51
Filing Fees		1,94,570.00		1,44,344.00
Interest on FBT		1,500.00		7,500.00
Listing Fees				360.00
Miscellaneous Expenses		66,180.00		65,380.00
Postage & Courier charges		1,992.93		1,200.00
Printing & Stationary		5,230.00		5,017.00
Professional Charges		10,145.00		11,267.00
Rent, Rates & Taxes		5,356.00		5,000.00
Salaries		6,750.00		2,500.00
Share Registrar & Transfer Charges		45,293.00		2,71,688.00
Telephone Expenses		11,030.00		10,774.00
Tour & Travelling		11,009.58		10,045.17
Local Conveyance			7,808.00	
	8,860.00	8,860.00	7,770.35	15,578.35
		<u>4,45,720.11</u>		<u>6,11,909.03</u>

SCHEDULE - L

(Annexed to and forming part of the Accounts for the year ended 31st March, 2010)

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES :

(1) Basis of Accounting :

The Accounts of the Company have been prepared on historical cost basis and on accrual basis of Accounting as a going concern.

(2) Inventories :

Inventories are stated at lower of Cost or Market Value for quoted shares and at lower of cost and break up value for unquoted shares. Cost is calculated on FIFO basis.

(3) Deferred Tax :

Deferred Income Tax reflects the impact of reversal of timing differences of earlier year. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

SCHEDULE - M

NOTES ON ACCOUNTS

(1) Quantitative details of goods traded :

	S H A R E S			S H A R E S		
	As at 31st March, 2010			As at 31st March, 2009		
	Quantity (Nos.)	Rs.	P.	Quantity (Nos.)	Rs.	P.
Opening Inventory	70,64,162	13,35,24,353.90		73,93,918	11,84,71,807.21	
Purchase	7,88,278	13,98,64,500.00		5,23,567	4,68,60,662.90	
Sales	32,02,401	14,28,72,076.86		8,53,323	3,12,28,416.10	
Closing Inventory	48,50,039	13,21,64,639.77		70,64,162	13,35,24,353.90	

(2) INVENTORIES (As taken, valued and certified by the management) :

Name of the Company	As at 31st March, 2010		As at 31st March, 2009	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
QUOTED EQUITY SHARES :				
Akar Tools Ltd.	9,700	1,69,750.00	9,700	1,67,810.00
Alpic Finance Ltd.	5,000	8,500.00	5,000	8,500.00
Amar Remedies Ltd.	—	—	1,502	23,431.20

(2) INVENTORIES (Contd.):

Name of the Company	As at 31st March, 2010		As at 31st March, 2009	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Amluckie Investment Co Ltd.	4,75,000	23,50,000.00	4,75,000	23,50,000.00
Ankit India Ltd.	10,000	20,000.00	10,000	20,000.00
Arihant Ltd.	14,97,900	29,95,800.00	14,97,900	29,95,800.00
Chandraprabhu International Ltd.	50,000	6,05,000.00	50,000	4,79,000.00
Enchante Jewelleries Ltd.	2,100	7,770.00	2,100	7,770.00
FCS Software Solutions Ltd.	22,240	55,600.00	1,112	24,464.00
Gothi Plascon (I) Ltd.	10,300	47,380.00	10,300	27,192.00
HFCL Ltd.	312	3,875.04	312	2,499.12
Jindal Photo Films Ltd.	3,400	6,12,000.00	3,400	3,05,320.00
Magma Fincop Ltd.	187	52,640.50	187	30,742.80
Manglam India Ltd.	500	2,250.00	500	2,250.00
Marsons Ltd.	1,600	7,692.31	8,000	14,240.00
Mount Everest Mineral Water Ltd.	8,700	87,000.00	8,700	87,000.00
Onida Finance Ltd.	14,000	28,000.00	14,000	28,000.00
PNC Capital Trust Ltd.	87,300	2,83,725.00	87,300	2,83,725.00
Prism Cement Ltd.	8,800	69,520.00	8,800	69,520.00
Sapience Industries Ltd.	13,700	52,060.00	13,700	52,060.00
Sarika Paints Ltd.	8,800	16,984.00	8,800	16,984.00
Shiva Cement Ltd.	1,01,250	2,93,625.00	1,01,250	2,93,625.00
Silicon Valley Infotech Ltd.	17,02,320	11,06,508.00	17,02,320	8,51,160.00
Steelco Gujarat Ltd.	17,200	84,280.00	17,200	61,232.00
Supreme Holdings Ltd.	33,000	6,60,000.00	33,000	5,28,000.00
Talbro Automotive Components Ltd.	1,031	54,488.35	1,031	18,558.00
	40,84,340	96,74,448.20	40,71,114	87,48,883.12

UNQUOTED EQUITY SHARES :

Abhijeet Cement Ltd.	—	—	30,300	33,65,000.00
Advent Commotrade Pvt. Ltd.	30,400	1,52,00,000.00	—	—
Accord Tracon Ltd.	—	—	2,31,600	1,53,02,900.00
Aristro Projects Ltd.	12,940	12,94,000.00	27,050	27,05,000.00
Bhumi Commotrade Pvt. Ltd.	17,000	85,00,000.00	—	—
Bahubali Properties Ltd.	—	—	1,12,525	1,12,52,500.00
Casecade Power Ltd.	—	—	45,535	45,53,500.00
Celeste Merchandise Ltd.	—	—	61,780	41,49,000.00
Costal Ferrotech Ltd.	—	—	71,000	71,00,000.00
Dhansafal Vyapar Ltd.	—	—	10,000	10,00,000.00
Gurupath Merchandise Ltd.	—	—	1,450	1,45,000.00
Hanurang Projects Ltd.	—	—	2,15,000	2,15,00,000.00
Indiaallinfo.com Ltd.	14,750	2,95,000.00	14,750	2,95,000.00
Indo Invest Vision Ltd.	—	—	1,00,650	69,64,980.00
JLD Cement Ltd.	—	—	17,000	17,00,000.00
Jagannathpur Steel Ltd.	—	—	15,45,400	80,40,000.00

(2) INVENTORIES (Contd.):

Name of the Company	Face Value	As at 31st March, 2010		As at 31st March, 2009	
		No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Karola Resources & Credit Pvt. Ltd.		15,000	15,00,000.00	—	—
Lakeview Energy Ltd.		1,000	1,00,000.00	—	—
Mandla Business India Pvt. Ltd.		17,000	17,00,000.00	—	—
Midas Touch Vyapaar Pvt. Ltd.		45,000	90,00,000.00	—	—
Noble Power Pvt. Ltd.		6,400	6,40,000.00	—	—
Oxide Dealcom Pvt. Ltd.		52,500	1,05,00,000.00	—	—
Ojas Suppliers Ltd.		—	—	26,050	15,70,000.00
Ospray Commercial Ltd.		—	—	16,500	16,50,000.00
Parichay Sales Pvt. Ltd.		4,500	4,50,000.00	—	—
Paridhi Finvest Pvt. Ltd.		1,77,500	3,55,00,000.00	—	—
Ramsetu Vintrade Pvt. Ltd.		12,000	60,00,000.00	—	—
Rangbarshi Projects Ltd.		5,500	5,50,000.00	8,750	8,75,000.00
Raunak Infrastructures Ltd.		—	—	1,83,950	99,50,000.00
Ricon Tie-up Ltd.		11,080	9,41,023.56	7,451	3,41,157.96
Rubion Marketing Ltd.		7,050	7,05,000.00	9,050	9,05,000.00
Rover Suppliers P. Ltd.		8,000	40,00,000.00	—	—
Sagar Tradelink Pvt. Ltd.		—	—	150	1,58,864.00
Saltlake Merchants Ltd.		—	—	3,500	3,50,000.00
Saltlake Vyapaar Ltd.		25,500	25,50,000.00	1,500	1,50,000.00
Sedan Merchants Pvt. Ltd.		14,000	70,00,000.00	—	—
Sarbodaya Agencies Pvt. Ltd.		—	—	750	1,50,000.00
Sepia Commercial Pvt. Ltd.		1,326	6,63,000.00	—	—
Subhlabh Intrade Pvt. Ltd.		5,000	25,00,000.00	—	—
Sheetal Farms Ltd.		—	—	36,500	36,50,000.00
Snapshot Tradelink Pvt. Ltd.		—	—	42,640	42,64,000.00
Sonal Tie-up Ltd.		4,253	4,25,300.00	10,000	10,00,000.00
Splendor Agents Ltd.		—	—	57,867	57,86,700.00
Sudhanil Vanijya Ltd.		9,250	8,01,868.01	9,250	8,01,868.01
Suvarna Banijya Pvt. Ltd.		12,000	60,00,000.00	—	—
Sunny Dealers Ltd.		—	—	70,000	25,90,000.00
Suryasakti Advisory Pvt. Ltd.		50	5,000.00	50	5,000.00
Toplight Tradelink Pvt. Ltd.		26,000	26,00,000.00	—	—
Turnkey Infrastructures Ltd.		—	—	21,500	21,50,000.00
Vertual Vanijya Pvt. Ltd.		27,500	27,50,000.00	—	—
Weldorf Tradelink Ltd.		3,200	3,20,000.00	3,550	3,55,000.00
		<u>5,65,699</u>	<u>12,24,90,191.57</u>	<u>29,93,048</u>	<u>12,47,75,469.97</u>
Aggregate Value of Quoted & Unquoted Shares		<u>46,50,039</u>	<u>13,21,64,639.77</u>	<u>70,64,162</u>	<u>13,35,24,353.09</u>
Market Value of Quoted Shares			<u>14,88,65,929.89</u>		<u>14,67,98,878.12</u>

- (3) In the opinion of the Board of Directors, current assets, loans & advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated.
- (4) The Company has not provided for Non-performing assets amounting to Rs. 42,50,000/- as per prudential norms prescribed by Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as the Management is reasonably hopeful of recovery in view of negotiation going on with the parties concerned.
- (5) Valuation of unquoted shares has been made at cost as against the method of lower at cost and break up value prescribed under the related RBI Directions. Break up value in respect of unquoted shares are not readily available and hence, valued at cost.

(6) In calculating Basic and Diluted Earning per Share :

	<u>2009 - 2010</u>	<u>2008 - 2009</u>
a) Numerator used : Profit after Tax	Rs. 6,81,556.43	Rs. 1,64,589.05
b) Denominator used : No. of Equity Shares of Rs. 10/- each outstanding during the year	13995900	13995900
c) Earning Per Share	Rs. 0.05	Rs. 0.01

(7) Deferred Tax Accounting :

As per Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, net deferred tax credit of Rs. 2,87,380/- on account of Carry Forward Loss has been recognised by the Company till 31st March, 2010. Further the deferred tax adjustment of Rs. 3,72,257/- for the year has been debited in the Profit & Loss Account for the year.

- (8) Since the company has operated in only one segment i.e. Fund Based Financial Activities during the year, the provisions relating to segment wise reports are not applicable.
- (9) In accordance with the requirements of Accounting Standard - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India the names of the related parties as identified and certified by the management are given below :

a) Related Party Disclosures

Key Managerial Personnel

Mr. Niraj Prakash Khetan - Managing Director

b) The transaction with parties mentioned in 'a' above :-

Director Remuneration

Mr. Niraj Prakash Khetan - Rs. 1,94,570/-

- (10) Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 has been given in Annexure - I.
- (11) No Provision has been made towards Gratuity as none of the employee have put in the qualifying period of service.
- (12) Information pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are given in Annexure - II.
- (13) Previous year's figures have been regrouped, rearranged, recast wherever considered necessary.

As per our Report of even date

For **JMP ASSOCIATES**

Chartered Accountants

MANISH GADIA

Partner

Membership No. 059677

NIRAJ PRAKASH KHETAN

Managing Director

NAWIN LAHOTY

Secretary

SANDEEP DEY

Director

Place : Kolkata

Dated : 26th day of May, 2010

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No. 52782 State Code 2

Balance Sheet Date 31032010

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue (Allotment Money) NIL Rights Issue NIL

Bonus Issue NIL Private Placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities 159312 Total Assets 159312

Sources of Funds
Paid-up Capital 139959 Reserve & Surplus 19353
Secured Loans NIL Unsecured Loans NIL

Application of Funds
Net Fixed Assets NIL Investments NIL
Net Current Assets 150035 Deferred Tax Assets 287
Miscellaneous Expenditure NIL Accumulated Losses 8990

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover 142904 Total Expenditure 141669

Profit Before Tax 1235 Profit After Tax 682

Earning Per Share (in Rs.) 0.05 Dividend Rate (%) NIL

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY
(As Per Monetary Terms)**

Item Code No. (ITC Code) NOT APPLICABLE

Product Description FUND BASED FINANCIAL ACTIVITIES

As per our Report of even date

For JMP ASSOCIATES
Chartered Accountants

MANISH GADIA
Partner
Membership No. 059677

NIRAJ PRAKASH KHETAN
Managing Director

NAWIN LAHOTY
Secretary

SANDEEP DEY
Director

Place : Kolkata
Dated : 26th day of May, 2010

Annexure - II

Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company
(as required in terms of Paragraph 13 on Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in Lakhs)

Particulars		
LIABILITIES SIDE :		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	NIL	NIL
Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and Borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
<i>*Please see Note 1 below</i>		
ASSETS SIDE :		
	Amount Outstanding	
2. Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
(a) Secured		NIL
(b) Unsecured		111.17
3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease		NIL
(b) Operating Lease		NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL

Particulars	Amount Outstanding
4. Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	96.74
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Un-Quoted :	
(i) Shares : (a) Equity	1224.90
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
Long Term Investments :	
1. Quoted :	
(i) Shares (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL
2. Un-Quoted :	
(i) Shares (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please specify)	NIL

5. Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	111.17	111.17
Total	NIL	111.17	111.17

6. Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below

Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	2,713.56	1321.65
Total	2,713.56	1321.65

** As per Accounting Standard of ICAI (Please see Note 3).

7. Other Information :

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	42.50
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	42.50
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

CMS FINVEST LIMITED

Regd. Office : 10, PRINCEP STREET, 2ND FLOOR, KOLKATA-700 072

PROXY

Folio No.

I/We
of

being a member/members of CMS FINVEST LIMITED and entitled to

votes hereby appoint

..... of

or failing him/her

of

or failing him/her

of

as my/our Proxy to attend and vote on my/our behalf at the Nineteenth Annual General Meeting of the Company, to be held at at "Somani Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Tuesday, 21st September, 2010 at 12.00 Noon.

As witness my hand/our hands this.....day of.....2010.

Signed by the said.....

Affix
Rs. 1/-
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No.

No. of Share(s) held

I/We hereby record my/our presence at the Nineteenth ANNUAL GENERAL MEETING of CMS FINVEST LIMITED for the financial year 2009-2010.

Signature of the Shareholder(s) or Proxy

.....
.....
.....