

COSY MERCANTILE LIMITED

ANNUAL ACCOUNTS

FINANCIAL YEAR: 2007-2008

Audited By
R. B. Pandya & Co.,
Chartered Accountants,
308, Venkatesh Chambers,
Prescot Road, Fort,
Mumbai - 400 001.
Phone No.: 2207 0840 / 2207 6799
Fax No. 2207 6001

COSY MERCANTILE LTD.

Regd. Office: 107, Vikas Premises 11, G.N. Vaidya Marg, Fort, Mumbai - 400 023

Board of Directors

Nimal Suchanti

Pushpa Suchanti

Vivek Suchanti

Auditors

M/s. R. B. Pandya & Co.,

Chartered Accountants

Mumbai - 400 001.

Bankers

State Bank Of India

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COSY MERCANTILE LTD

Regd. Office: 107, Vikas Premises II, G.N. Vaidya Marg, Fort, Mumbai - 400 025

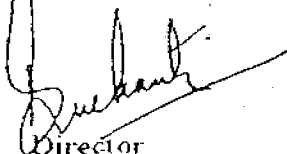
NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on the 29th September, 2008 at the Registered Office of Company at 107, Vikas Premises II, G.N. Vaidya Marg, Fort, Mumbai - 400 025 for the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2008 and the Profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Pushpa Suchanti, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

By Order of the Board



Director

Mumbai, 1st September, 2008

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy in order to be effective should reach the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and share transfer books of the Company will remain closed from 20th September, 2008 to 29th September, 2008 both days inclusive.
3. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy.

COSY MERCANTILE LTD.

Regd. Office: 107, Vikas Premises, 11, G.N. Vaidya Marg, Fort, Mumbai 400 023

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Annual Report together with the audited accounts for the year ended 31st March, 2008 for your perusal and adoption.

1. Performance Highlights :

Particulars	Current Year 31.03.2008 (Amount in Rs.)	Previous Year 31.03.2007 (Amount in Rs.)
Profit / (Loss) for the year before Depreciation & Tax	(3,92,490.00)	11,44,039.39
Less: Depreciation	9,740.00	7,205.00
Net profit after Depreciation	(4,02,230.00)	11,36,834.39
Less : Provision for Current Tax	Nil	Nil
Add : Provision for Deferred Tax	34,925.00	1,36,755
Add : Excess Provision Income Tax	Nil	2,689
Net profit during the year after tax	(3,67,305.00)	12,76,278.39
Add: Balance of profit brought forward from previous year	(3,34,56,751.96)	(34,733,030.35)
	(3,38,24,056.96)	(33,456,751.96)
Less: Balances Written Off	Nil	Nil
Balance of Profit / (Loss) carried forward to the Balance Sheet	(3,38,24,056.96)	(33,456,751.96)

2. Dividend :

Your Directors do not recommend payment of any Dividend for the year. This is in order to augment the Company's own resources for long term finance.

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3. **Review of Operations :**

Your Directors informed that in the sluggish market condition, the company is struggling hard to cope with the liquidity problem.

4. **Public Deposits :**

Your Company has not accepted any deposits during the year. Hence provisions of section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company.

5. **Auditors :**

The Auditors M/s. R. B. Pandya & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

6. **Auditors' Report :**

The Auditors' Report is self-explanatory.

7. **Personnel :**

There were no employees in the category as stated under sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

8. **Directorship :**

Smt. Pushpa Suchanti retires by rotation & being eligible offers herself for re-appointment.

9. **Responsibility Statement :**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state that :

COSY MERCANTILE LTD

Regd. Office: 107, Vikas Premises II, G.N. Vaidya Marg, Fort, Mumbai - 400 023

- a. In preparation of annual accounts, the applicable accounting standards are followed along with proper explanation relating to material departures.
- b. The accounting policies selected and applied are consistently followed and the judgments and estimates made are 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 or loss of the company for period covered by this report.
- c. Proper and sufficient care are taken for the maintenance of adequate accounting records in accordance with the provisions of Co.'s Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts are prepared on a going concern basis.

10. Foreign Exchange Earnings And Outgo :

During the year as required by the provisions of Section 217-(1) (e) of the Companies Act, 1956 there are no foreign exchange earnings and outgo.

11. Acknowledgement :

The Directors put on record their appreciation for the services rendered by the Company personnel during the year.

On behalf of the Board of Directors
For Cosy Mercantile Ltd

Pushpa Suchanti
Pushpa Suchanti
Director

Vivek Suchanti
Vivek Suchanti
Director

Place : Mumbai

Date : 1st September 2008

R.B. Pandya & Co.,
Chartered Accountants

308, Venkatesh Chambers,
Ghanshyam Talwalkar Marg,
Fort, Mumbai - 400 001.
Tel. No. : 2207 0840 / 2207 6799
Fax No. : 2207 6001

AUDITORS' REPORT

To,
The Members of
Cosy Mercantile Ltd.

1. We have audited the attached Balance Sheet of Cosy Mercantile Limited as at 31st March, 2008 and also the Profit and Loss Account for the year ended as 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 conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order 2004, hereinafter the "Order", issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, we enclose herewith a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.
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 purpose of our Audit :

