COMFORT INTECH LIMITED

19th Annual Report 2012-13

BUILD YOUR FUTURE WITH COMFORT

BOARD OF DIRECTORS :

Mr. Anil B Agrawal	-	Chairman & Managing Director
Mr. Bharat N Shiroya	-	Executive Director
Mr. Janak G Mehta	-	Director
Mr. Jugal C Thacker	-	Director
Mrs. Annu Agrawal	-	Director
Mr. Anand Agarwal	-	Director

COMPANY SECRETARY :

Mrs. Rama Devi Gundeti

STATUTORY AUDITORS :

M/s. Bansal Bansal & Co.,
Chartered Accountants,
120, Sanjay Building No. 6,
Mittal Industrial Estate
Andheri Kurla Road, Andheri (E)
Mumbai – 400 069.

BANKERS :

Union Bank of India

Axis Bank

Punjab National Bank

IDBI Bank

HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS :

Bigshare Services Pvt. Ltd
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumabi –400 072.
Tel : 91-22-40430200
Fax :91-22-28475207
Website : www.bigshareonline.com

REGISTERED OFFICE:

106, Avkar, Algani Nagar,
Kalaria, Daman– 369 210 (U.T.)

CORPORATE OFFICE:

A-301, 3rd Floor, Hetal Arch,
S. V. Road, Malad (West),
Mumbai – 400 064.
Tel : 91-22-28449765/66
Fax: 91-22-28892527
Email : info@comfortintech.com
Website: www.comfortintech .com

Wholly Owned Subsidiary Company in UAE :
M/s. Finsolution Services FZE
P.O.Box : 31291
Al-Jazeera Al-Hamra
RASAL Khaimah, U.A.E

NINETEENTH ANNUAL GENERAL MEETING	
Day and Date	Saturday, August 31, 2013
Time	4.30 P.M
Venue	Cidade De Daman (Hotel Sea View Pvt. Ltd),. Devka Beach, Nani Daman 396210 (U.T.)

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU) on Saturday, 31st August, 2013 at 4.30 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To declare the dividend on Equity shares
3. To appoint a Director in place of Mrs. Annu Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

   "RESOLVED THAT the Salary and other allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:

   1) Salary from ₹ 8,40,000/- to ₹ 8,64,000/- per annum.

      Other benefits as per the rules of the Company."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

   "RESOLVED THAT the Salary and other allowances to be paid to Mr. Anil B Agrawal, Managing Director be increased as under:

   1) Salary from ₹ 9,00,000/- to ₹ 18,00,000/- per annum.

      Other benefits as per the rules of the Company."

By Order of the Board

Sd/-
RAMA DEVI GUNDETI
Company Secretary

Dated : 18.07.2013
Place : Mumbai

Important Communique to Members-Green Initiative in Corporate Governance :

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the RTA/Depositories.

The Members who hold shares in physical from are requested to intimate/update their email address to the Company / RTA while Members holding shares in demat form can intimate / update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5 and 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27.08.2013 to 31.08.2013 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Company Secretary at the Corporate office of the company.
10. **Payment of dividend through ECS/NECS :**

    All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to Member's respective bank accounts.

    The Members, holding shares in dematerialized form are advised to intimate the bank details/change in bank details to their respective DPs. Those Members who are holding their shares in physical form are advised to send bank details/changes therein, if any, to the RTA or to the company. In case of absence of ECS/NECS facility, the Company will send the dividend pay orders to the registered address of the Members.

    To enable the Company to print the bank account details on the dividend pay orders as a security measure for the credit to the correct recipient, members are required to update their bank account details with their respective DPs, RTA or the Company.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.

The following Explanatory Statement sets out the material facts relating to the business under items 5 and 6 of the accompanying Notice:

Item No. 5

Mr. BHARAT SHIROYA was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for the next 5 years in the meeting of the Board of Directors held on 4th August 2012.

The main terms of appointment of Mr. Bharat Shiroya, as Executive Director are to be changed as under:

1. Salary from ₹ 8,40,000/- to ₹ 8,64,000/- per annum.

   Other benefits as per the rules of the Company.

   Yours Directors recommend the resolution for the approval of the members.

   Mr. Bharat Shiroya is interested in the resolution as it relates to his appointment.

   None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Item No. 6

Mr. ANIL B AGRAWAL was reappointed as Managing Director of the Company in the Board Meeting held on 9th February 2013 for the period of 5 years.

The main terms of reappointment of Mr. Anil B Agrawal, as Managing Director are to be changed as under:

1 Salary from ₹ 9,00,000/- to ₹ 18,00,000/- per annum.

   Other benefits as per the rules of the Company.

   Yours Directors recommend the resolution for the approval of the members.

   Mr. Anil B Agrawal and Mrs. Annu Agrawal (spouse of Mr. Anil Agrawal) are interested in the resolution as it relates to his appointment.

   None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

By Order of the Board

Sd/-
RAMA DEVI GUNDETI
Company Secretary

Dated : 18.07.2013
Place : Mumbai

Registered Office:
106, Avkar, Algani Nagar,
Kalaria, Daman - 396210

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Name	:	Mrs. Annu Agrawal
Age	:	46
Qualification	:	B.A (Honrs)
Brief Profile	:	She is a graduate and has 11 years experience in the stock market. She is on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.
Shareholding in the Company	:	11655383 Equity shares of Re. 1/- each aggregating to 3.643%

DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Nineteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2013. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ In Lacs)

PARTICULARS	STANDALONE YEAR ENDED 31ST MARCH 2013	STANDALONE YEAR ENDED 31ST MARCH 2012	CONSOLIDATED YEAR ENDED 31ST MARCH 2013
Income from Operations	1426.57	1610.64	1538.24
Profit Before Depreciation and Taxes	**261.65**	**303.71**	**354.35**
Less: Depreciation	(10.09)	(11.23)	(10.10)
Less : Provision for			
(a) Income tax	(80.97)	(81.00)	(81.07)
(b) Deferred tax	1.79	(3.32)	1.80
Income Tax paid of Earlier years	0.17	--	0.17
Profit for the Year	**172.56**	**208.16**	**265.15**
Add: Brought forward from last year	308.76	216.60	308.77
Distributable Profits	481.32	424.76	573.92
Appropriated as under :			
Transfer to Special Reserve	(34.51)	(41.63)	(34.51)
Proposed Equity Dividend	(63.98)	(63.98)	(63.98)
Tax on Distributed Profits	(10.87)	(10.38)	(10.87)
Balance Carried Forward to Balance sheet	**371.95**	**308.76**	**464.56**

FINANCIAL HIGHLIGHTS:

Consolidated Revenues :

The total consolidated income of the Company for the FY 2012-13 comprises operating revenues of ₹ 1527.72 Lacs and other income of ₹ 10.52 lacs for the current year.

Standalone Revenues:

During the fiscal 2013, the gross operational income of the Company stood at ₹ 1426.57 Lacs as compared to previous fiscal of ₹ 1610.64 Lacs.

Consolidated Profits :

Profit before Tax (PBT) stood at ₹ 344.25 Lacs. Profit after Tax (PAT) stood at ₹ 265.15 Lacs.

Standalone Profits :

Profit after tax for the fiscal 2013 has declined to ₹ 172.56 lacs as compared to the previous year 208.16 lacs

Your company already intimated you regarding wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates. During the fiscal 2013, the gross operational income of the subsidiary stood at AED 773,700 and Operating Profit for the fiscal 2013 stood at AED 643,125.

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January, 2013.

The net worth of your company at the year end stands at ₹ 9033.76 Lacs which translated to a book value of ₹ 2.82/- per share of face value of Re. 1/-.

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2012-13 on Equity Shares of Re.1/- each at ₹ 0.02 paise per share equivalent to 2% aggregating to ₹ 63,98,762/- (Rupees Sixty three Lacs Ninety Eight thousand Seven Hundred and Sixty two Only)

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mrs. Annu A Agrawal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

A brief resume and other details, as stipulated under the Listing Agreement for the above director seeking re-appointment is given as Additional Information on Directors which forms part of the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-2013 and of the profit and loss of the Company for the period;

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis.

COMMENTS ON AUDITOR'S REPORT:

As regards not making provision for retirement benefits of employees, the same has not been done in view of the meager staff strength.

STATUTORY AUDITORS:

The retiring auditors, namely M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and are seeking re-appointment. They have confirmed that their appointment if made, at the Annual General Meeting, will be within the limits prescribed under sub section (1B) of Section 224 of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement. Members are requested to consider their reappointment.

SUBSIDIARY COMPANIES :

Your company has already intimated you regarding 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates which was incorporated on 25th January 2012

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January 2013.

The details pertaining to financials of Subsidiary Companies have been given elsewhere in this report.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956:

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries Viz., Directors Report, Auditor's Report, Balance Sheet and profit and Loss Account are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide letter No. 47/15/2011-CL-III dated 27th January 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. A statement pursuant to the provisions of Section 212(1)(e) of the Act appears elsewhere in the Annual Report.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits as on 31st March 2013 so as to attract the provisions of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975 as amended from time to time.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited Consolidated Financial Statements are provided in the annual report.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2012-13 and a detailed report on Corporate Governance, as required under Clause 49 of the Listing agreement executed with the Stock Exchanges, are given in separate sections forming part of the Annual Report.

A Certificate from Statutory Auditors of the company, M/s. Bansal Bansal & Co., confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 is annexed to the report on Corporate Governance.

PARTICULARS OF EMPOLYEES UNDER SECTION 217(2A);

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1988, as amended are not applicable to the company, as there are no employees whose remuneration is in excess of the limits prescribed.

LISTING:

The Equity Shares of the Company are at presently listed with the Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is regular in payment of listing fee.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2013 is annexed here to.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure – 1.

SYSTAMATICALLY IMPORTANT COMPANY :

Your company total assets size has crossed 100 crores and as per the RBI norms your company became Systematically Important Company and our company regularly complying the various compliances with RBI accordingly.

ACKNOWLEDGEMENT:

Your directors place on record their gratitude for the continued co-operation and guidance extended by the Securities and Exchange Board of India, Reserve bank of India, Bombay Stock Exchange Limited and take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD
sd/-
ANIL AGRAWAL
Chairman & Managing Director

Place : Mumbai
Dated: 18.07.2013

ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION	:	NA
TECHNOLOGY OBSERVATION	:	NA

FOREIGN EXCHANGE EARNINGS AND OUT GO:

	Amount in ₹
Foreign exchange used	188243.00
Foreign exchange earned	NIL

REPORT ON CORPORATE GOVERNANCE

1. OUR PHILOSOPHY ON CORPORATE GOVERANANCE

Comfort is committed to provide fair, transparent and equitable treatment to all its stakeholders. For us Corporate Governance is not only a set of rules that define the relationship between the stakeholders and the management of a company but it is the way the company operates. Corporate Governance is both the structure and the relationship which determine corporate direction and performance.

At comfort, we have always sought to be a value-driven organization, where our values direct our growth and success.

❖ **Integrity:** Integrity is fundamental to our business. We adhere to moral and ethical principles in everything we do as professionals and corporate citizens. Our reputation, based on our high standards of integrity, is invaluable.

❖ **Team work:** We believe extensive teamwork is what makes it possible for us to work together towards a common goal. We value and respect each individual's commitment to group effort.

❖ **Client Focus :** We always put the interest of our clients before our own. We understand our client's needs, seek new opportunities for them and deliver unique solutions as per their expectations. The success of our clients is the biggest reward for us.

❖ **Innovation :** We understand our client's needs and develop solutions for the most complex or the simplest, the biggest or the smallest transactions, whether for individuals, corporations or institutions. Creativity and innovation are among the key essentials for everything we do. We encourage new ideas which help us capture unique opportunities.

❖ **Implementation :** Our expertise, experience and continuous focus on the quality of execution ensure effective implementation of our strategies.

❖ **Performance :** We believe in development of our people and continuously hone our skills, setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent. We recognize and reward talent based on merit.

❖ **Partnership:** Our relationship with all our stakeholders reflect our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust and support all our stakeholders.

We believe in demonstrating high level of accountability, maintaining high standards of transparency, timely disclosures and dissemination of price sensitive information, ensuring thorough compliance with all applicable laws and regulations and conducting our business in an ethical manner.

CLAUSE 49

Clause 49 of the Listing Agreement entered between a company and the Stock Exchanges is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 49 is the baseline for good governance standards. At Comfort, we not only adhere to the prescribed corporate governance standards and practices as given in Clause 49 but we constantly strive to adopt the emerging best practices.

Corporate Governance has always been an integral and indispensable practice at Comfort in conducting its business for more than 18 years. We believe that Corporate Governance is a journey towards sustainable value creation and is always an upward moving target.

We follow high standards of Corporate Governance practices which inter-alia include:

- The Board of the Company comprises majority of Non executive Directors representing around 67% of the total composition of the Board.
- Out of the six directors on the Board, three are independent directors which represents around 50% of the total co position of the Board.
- Consistent monitoring and improvement of the human and physical resources.

- Introducing regular checks and audits and continuous improvement in already well define systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

The Company Secretary plays a very vital role in the implementation of the best corporate governance processes. She ensures that the Board procedures are followed and reviewed regularly. She also ensures that all relevant information/ documents/ details are made available to all the directors and Senior Managerial personnel (who are invited to attend the meeting) for effective decision making at all Board/Committee meetings. All the Directors and Senior Managerial Personnel have access to the advice and services of the Company Secretary.

2. BOARD OF DIRECTORS ("THE BOARD"):

Based on the size of the Company, complexity and nature of the Company's business, the Board of the Company consists of appropriate composition, size, varied expertise and commitment to discharge it responsibilities and duties.

COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31.03.2013 :

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of Six Members. The Company has Two "Executive" and four "Non-Executive Directors."

Mr. Anil B Agrawal.	-	Chairman & Managing Director& Promoter
Mrs. Annu A Agrawal.	-	Non-Executive & Promoter Director
Mr. Bharat N Shiroya.	-	Executive Director & Non Independent
Mr. Janak G Mehta.	-	Non-Executive Director & Independent
Mr. Jugal C Thacker	-	Non-Executive Director & Independent
Mr. Anand H Agarwal	-	Non-Executive Director & Independent

A) Brief Profile of Directors

A brief profile of all the Directors of the Company, the nature of their expertise in specific functional areas, the names of the public companies (other than foreign companies, Section 25 companies and private companies that are not subsidiaries of a public company) of which they hold directorships in the company as on March 31, 2013 are given below

I. **Mr. Anil B Agrawal,** aged 51 years is the Chairman & Managing Director of our Company. He is a Chartered Accountant. He has more than 20 years of experience in the field of finance, capital markets and related activities. He is one of the founder promoters and Managing Director & Chairman of our Company and presently involved in day to day affairs including future planning, finances control, man- management, and in strategic decision making of our Company. He is also on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

Mr. Anil B Agrawal is on the Board of the following other public companies :

- Comfort Securities Limited
- Comfort Fincap Limited
- Comfort Commotrade Limited
- Blend Financial Services Limited
- Liquors India Limited

Mr. Anil B Agrawal held **994245** equity shares in the Company as on March 31, 2013.

II. **Mr. Bharat N Shiroya** aged 43 years is the Executive Director of our Company. He is a graduate by qualification from Mumbai university and M.B.A from National Institute of Management. He is holding the office of Executive Director of our Company for more than 15 years. He has experience in securities and financial services and responsible for our Company's dealings in shares and investment portfolio.

Mr. Bharat N Shiroya is on the Board of the following other public companies :

- Comfort Securities Limited
- Comfort Fincap Limited
- Comfort Commotrade Limited
- Liquors India Limited

Mr. Bharat N Shiroya held **10525** equity shares in the Company as on March 31, 2013.

III. **Mrs. Annu A Agrawal,** aged 46 years is the director of our Company. She is a graduate and has more than 10 years experience in the stock market. She is on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

Mrs. Annu Agrawal is on the Board of the following other public companies :

- Comfort Securities Limited

Mrs. Annu Agrawal held **11655383** equity shares in the Company as on March 31, 2013.

Mrs. Annu Agrawal is liable to retire by rotation and being eligible, offers herself for re-appointment at the ensuring Annual General Meeting.

IV. **Mr. Jugal C Thacker,** aged 49 years is an Independent Director of our Company. He is qualified a Chartered Accountant and experience in finance and investment Field. He has experience in debt syndication, Issue Managements, Buy-back, delisting, open offers etc

Mr. Jugal C Thacker is on the Board of the following other public companies :

- Comfort Securities Limited
- Liquors India Limited

Mr. Jugal C Thacker does not hold any equity shares in the Company as on March 31, 2013.

V. **Mr. Janak G Mehta** aged 46 years is an independent director of our company. He is a graduate by qualification from Mumbai university and holds Diploma in Computer Studies from NCC (U.K). He has experience in the software operations.

Mr. Janak G Mehta is not holding any directorship in the public companies as on 31st March 2013

Mr. Janak G Mehta does not hold any equity shares in the Company as on March 31, 2013.

VI. **Mr. Anand H Agarwal** aged 51 years is an independent director of our Company. He is a B.com, Chartered Accountant and having more than 20 years of experience in the field of account, audit & income tax. Currently he is a proprietor of M/s A.H Agarwal & Associates, Chartered Accountants, Mumbai.

Mr. Anand H Agarwal is not holding any directorship in the public companies as on 31st March 2013

Mr. Anand H Agarwal does not hold any equity shares in the Company as on March 31, 2013.

B) Board Meetings and Procedures

The company has been following the practice of holding at least four board meetings every year. During the year, the Company held seven board meetings. Out of these board meetings, four meetings; one in every quarter, included the agenda for review of the quarterly financial results of the Company. The maximum time-gap between any two consecutive meetings did not exceed four months.

The board meetings of the Company are scheduled in advance and the notice of each such board meeting is given in writing to all the directors. The Company Secretary usually sends the detailed agenda together with the relevant annexure to each of the directors in advance.

The Company Secretary, in consultation with the Chairman and other relevant officers prepares the detailed agenda for the meetings.

The meetings of the Board of Directors are generally held at Mumbai in the same building where the Corporate office of the Company is situated.

The Board reviews, periodically, reports confirming compliance with the laws applicable to the Company and steps taken by the Company to rectify instances of non-compliance, if any.

The following information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement is placed before the Board at its meetings.

- Annual operating plans and budgets, capital budgets and updates, if any.
- Quarterly results of operating divisions or business segments.
- Minutes of meetings of audit, remuneration and shareholder's grievance committees.
- Non compliance, if any of regulatory, statutory or listing requirements as well as investor services such as non payment of dividend and delays in share transfers.

The draft minutes of each board meeting are circulated to the Board members for their comment, which are then incorporated by the Company Secretary. Thereafter the minutes are confirmed by the Directors at the next meeting of the Board. The minutes of each Board / Committee meeting are recorded in the Minutes Book as per the provisions of the Companies Act, 1956.

During the year ended 31t March 2013, Seven (7) Board Meetings were held on the following dates :

30th May 2012, 4th June 2012, 14th July 2012, 4th August 2012, 10th November 2012, 5th January 2013 and 9th February 2013

C. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of directorships and chairmanships/memberships of committees of each Director as on 31st March, 2013 are given below:

Name of Director	Category of Directorship	Attendance at		*No. of Directorships	Committee	
		Board Meeting	Last AGM		Positions Member	Chairman
Mr. Anil B Agrawal (Chairman)	Executive Promoter	7	Yes	6	6	--
Mrs. Annu A Agrawal	Non Executive Promoter	7	No	2	2	--
Mr. Bharat N Shiroya	Executive & Non Independent	7	Yes	5	1	1
Mr. Janak G Mehta	Non Executive & Independent	5	No	1	2	1
Mr. Jugal C Thacker	Non Executive & Independent	5	No	3	--	2
Mr. Anand H Agarwal	Non Executive & Independent	5	Yes	1	--	--

* Excluding directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all companies in which they are Directors.

D) Code of Conduct:

The Code of Conduct, which has been formulated for the Board Members and Senior Members and Senior Management Personnel of the Company, is posed on the website of the Company, viz. www.comfortintech.com.

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors for the Financial Year 2012-13:

I) Audit Committee

II) Remuneration Committee

III) Shareholder's Grievance Committee

I. AUDIT COMMITTEE:

A. Composition:

The Audit Committee comprises of three Non-Executive Directors, namely

Names of Directors	Category
Mr. Jugal C Thacker	Non- Executive and Independent - Chairman
Mr. Janak Mehta	Non- Executive and Independent - Member
Mrs. Annu Agrawal	Non- Executive and Non Independent - Member

B. Terms of reference:

(a) Review of the Company's financial reporting process and financial statements.

(b) Review of accounting and financial policies and practices.

(c) Review of Internal control systems.

(d) Discussion with Statutory Auditors on any significant findings and follow-up thereon.

(e) Reviewing the Company's financial and risk management policies.

(f) Related Party Transactions.

(g) Internal audit reports and adequacy of internal audit function.

The Statutory Auditors are invitees to the Meeting.

C. Powers of Audit Committee:

The Audit Committee has the following powers:

i) To investigate any activity within its terms of reference;

ii) To seek information from any employee;

iii) To obtain outside legal or other professional advice;

iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

D. Audit committee Meetings and Attendance:

The Committee has met five (5) times during the financial year ended 31st March 2013

i.e. on 30th May 2012, 14th July 2012, 4th August 2012, 10th November 2012 and 9th February 2013.

Details of attendance of each Director at the Audit Committee Meetings are given below:-

Name of the Director	Position	Meeting attendance
Mr. Jugal C Thacker	Chairman	5
Mr. Janak Mehta	Member	5
Mrs. Annu Agrawal	Member	5

II. REMUNERATION COMMITTEE:

A. Composition and attendance :

The Remuneration Committee comprised of three Non-Executive Directors, namely Mr. Jugal C Thacker (Chairman of the Committee), Mr. Janak Mehta and Mrs. Annu Agrawal as a members of the Committee.

The Committee has met one (1) time during the financial year ended 31st March 2013 i.e. on 30th May 2012

Name of the Member	Position	Category	Meeting attendance
Mr. Jugal C Thacker	Chairman	Independent & Non Executive Director	1
Mr. Janak Mehta	Member	Independent & Non Executive Director	1
Mrs. Annu Agrawal	Member	Non Independent & Non Executive Director	1

B. Terms of Reference:

The broad terms of reference of the committee are to appraise the performance of Managing Director and whole time directors, determine and recommend to the Board compensation payable to Managing Director and whole time directors. The remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

C. Remuneration Policy:

Subject to the approval of the Board of Directors and subsequent approval by the members at the General Meeting and such authorities as the case may be, remuneration of Managing Director and Whole time Directors, is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.,

Details of remuneration to the directors for the year as follows :

	Remuneration paid during the year 2012-13 (in Rs.)		
Name of Director	Salary	Perquisites	Total
Mr. Anil B Agrawal	8,25,000	68,712	8,93,712
Mr. Bharat N Shiroya	79,00,00	65,808	8,55,808

III. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:

A. Composition and attendance:

The Board has delegated the powers to approve transfer of shares etc., to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) directors present, four (4) meetings of the committee were held during the year. The composition and attendance of shareholders / Investors Grievance Committee as on 31st March 2013 is as follows:

Name of the Member	Position	Category	Meeting attendance
Mr. Janak Mehta	Chairman	Independent & Non Executive Director	4
Mr. Anil B Agrawal	Member	Non Independent & Executive Director	4
Mr. Bharat N Shiroya	Member	Non Independent & Executive Director	4

B. Terms of Reference:

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc., The committee deals with various matters relating to :

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.

C. Information on Investor Grievances for the period from 1st April, 2012 to 31st March 2013:

There are no outstanding complaints at the close of financial year which were received from shareholders during the year. The Company has no transfers pending at the close of the financial year.

D. Compliance Officer:

Ms. Ramadevi Gundeti is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & JSE.

The total number of complaints received and complied during the year were is as follows :

Opening - Nil Compliant received - 3 Complied - 3 Pending - Nil

The Complaints had been attended to within seven days from the date of receipt of complaint, as communicated by the Registrar and Transfer Agent i.e. Bigshare Services Pvt. Ltd.

The outstanding complaint as on 31st March, 2013 - Nil

4. GENERAL BODY MEETINGS:

A. Particulars of General Meetings held during last three years:

Annual General Meetings :

YEAR	LOCATION	DATE	TIME	Nature of Special Resolution if any, passed
2009-2010	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	17th July 2010	4.30 P.M	Nil
2010-2011	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	16th July 2011	4.30 P.M	Nil
2011-2012	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	1st September 2012	4.30 P.M	Nil

B. Extraordinary General Meetings:

There were no Extraordinary General Meetings conducted during the Financial Year 2012-13.

5. OTHER DISCLOSURES:

Disclosure on materially significant related party transaction i.e. transactions of the company of material nature with its promoters, the Directors or the Managements their subsidaries or relative etc., that may have potential Conflict with the interest of the Company at large.

Details are given elsewhere in this Report

There was no reported case of non-compliance by the Company and/or levy of any penalties, imposition of strictures on the Company by the Stock Exchanges or SEBI or any other statutory or other authority on any matter related to capital markets during the year under report.

6. MEANS OF COMMUNICATION:

A. Quarterly Financial Results were publishes during the Financial year as follows:

Financial Result	Un-Audited / Audited*	News Papers
First Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Second Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Third Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Fourth Quarter/ Full year	Audited	Business Standard & Gandhi Nagar Western Times

* The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within 45 days of quarter / half year and communicated these results to all Stock Exchanges where the shares of the Company are listed and published in news papers as indicated above and also put on Company's website www.comfortintech.com

Note: Un-audited Financial Results were intimated to Stock Exchanges with in 45 days of first three quarters and Audited Financial Results for the last quarter /Financial year ending within 60 days of close of Financial year.

B. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Director's Report. All the matters relating to Industry Structures and Development, Opportunities and Threats, Risks and Concerns, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, Human Resources Development and Industrial Relations are discussed in the Director's Report.

7. GENERAL SHAREHOLDER INFORMATION :

(i) Annual General Meeting

Day, Date and Time: Saturday, 31st August, 2013 at 4.30 p m

Venue: Cidade De Daman (Hotel Sea View Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU)

(ii) Financial Calendar 2013-14 (Tentative)

Results for the quarter ending 30th June 2013	:	Second week of August 2013
Results for the quarter ending 30th Sep, 2013	:	Second week of November 2013
Results for the quarter ending 31st Dec 2013	:	Second week of February 2014
Results for the year ending 31st March 2014	:	Last week of May 2014
(iii) Book Closure Date	:	27-08-2013 to 31-08-2013 (Both the days inclusive)
(iv) Registered Office	:	106, Avkar, Algani Nagar, Kalaria, Daman- (U.T)
(v) Equity shares listed on Stock Exchanges at	:	1) BSE Ltd. 2) Jaipur Stock Exchange Limited

Note: The Annual listing fees as prescribed has been paid to all Stock Exchanges where shares are listed upto 2013-14.

(vi) Stock Code

Trading Symbol at	:	BSE Ltd. (Physical Segment) 531216 COMFINTE
Demat ISIN Number in NSDL & CDSL	:	Equity Shares INE819A01023

(vii) Bombay Stock Exchange Limited Stock Market Data (in ₹ / per share)

Period	High (₹)	Low (₹)	Period	High (₹)	Low (₹)
April 2012	2.18	1.85	Oct 2012	1.61	1.19
May 2012	2.01	1.65	Nov 2012	1.59	1.12
June 2012	2.18	1.48	Dec 2012	1.48	1.15
July 2012	1.74	1.50	Jan 2013	1.40	1.04
Aug 2012	1.72	1.35	Feb 2013	1.30	0.96
Sep 2012	1.54	1.13	Mar 2013	1.20	0.93

- No scripts were traded in the Jaipur Stock Exchange during the financial year. Therefore no stock market data has been given.

(viii) Registrars and Transfer Agents: Bigshare Services Pvt. Ltd.

(Share transfer and communication regarding share certificates, dividends and change of address)

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai 400 072.

(ix) SHARE TRASFER SYSTEM

Presently, the share transfers in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt of the document, subject to the documents being clear in all respects. The Board has delegated the authority for approving the transfers to the RTA subject to approval by Grievance Committee.

Shareholders Grievances and other miscellaneous correspondence on change of address, mandates etc., received from members are generally processed by RTA of the company within 15 days.

The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47C of the Listing Agreement and files a copy of the certificate with BSE and JSE.

(X) Distribution of Share Holding as on 31st March 2013.

Range of Shareholding (₹)	No. of Shareholders	% of Total	Share Amount ₹	% of Total
1-5000	5185	77.37	7142694	2.23
5001-10000	564	8.41	4454498	1.39
10001-20000	338	5.04	4993312	1.56
20001-30000	145	2.16	3683082	1.15
30001-40000	86	1.28	3057423	0.95
40001-50000	52	0.77	2448997	0.76
50001-100000	120	1.79	9176080	2.86
100001 and above	211	3.14	284981994	89.07
Total	**6701**	**100.00**	**319939080**	**100.00**

(xi) Shareholding Pattern (Category Wise) As On 31st March 2013 :

Category	No. of Shares	Percentage
Promoters	166252780	51.96
Mutual Funds / UTI & Banks	--	--
Private Corporate Bodies	34148775	10.67
Resident Individuals	119335175	37.30
NRIs / FIIs	124979	0.04
Clearing Members	76371	0.02
Total :	**319939080**	**100.00**

(xii) List of the Top 10 Shareholders of the Company (Excluding Promoter group as on 31st March 2013

S.No.	Name of Shareholder	No.of Shares	Shares as % of total no.of shares
1.	Bhavesh Prakash Pabari	6042000	1.8885
2.	Jatin H Mehta	4895000	1.5300
3.	Brijesh H Mehtha	4629000	1.4468
4.	Darshan Doshi	4495000	1.4050
5.	Chirag Rajnikant Jariwala	3567784	1.1151
6.	Amit kumar Arunkumar Khara	3350000	1.0471
7.	Arunkumar Dalichand Khara	3350000	1.0471
8.	Mayurkumar Arunkumar Khara	3300000	1.0314
9.	Ram Manohar Singh	2500000	0.7814
10.	Ram Manohar Singh HUF	2500000	0.7814

(xiii) DEMATERIALISATION OF SHARES:

Approximately 99.715 % of the Equity Shares have been dematerialized upto 31st March, 2013.

Trading in Equity shares of the Company is permitted only in dematerialized form w.e.f. 26th June 2000 as per notification issued by the Securities and Exchange Board, India (SEBI).

(xiv) LIQUIDITY:

Relevant data of the average daily working days turnover for the Financial Year 2012-2013 is given below:

Bombay Stock Exchange Limited

Shares (in Lacs)	:	0.576
Amount (in ₹ Lacs)	:	0.89

GDRs/ADRs/Warrants etc.

The Company did not issue any GDRs/ADRs/warrants or any convertible Instruments.

INVESTOR CORRESPONDENCE FOR TRANSFER / DEMATERILISATION OF SHARES AND ANY OTHER QUERY RELATING TO THE SHARES OF THE COMPANY:

BIGSHARE SERVICES PVT. LTD.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai 400 072.

Any query on Annual Report:
COMFORT INTECH LTD.
A-301, Hetal Arch,
Opp. Natraj Market,
S.V.Road, Malad (W),
Mumbai 400 064.

Other Mandatory requirements are not applicable to the Company.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
the Members,
COMFORT INTECH LTD.

We have examined the compliance of conditions of Corporate Governance by Comfort Intech Ltd for the year ended on 31st March, 2013, as stipulated in Clause 49 of listing agreement of the said Company with stock exchanges.

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

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

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

For BANSAL & BANSAL & CO.
Chartered Accountants

Sd/-
MANOJ AGARWAL
Partner
M. No. 107624

Place : Mumbai

Dated : 18.07.2013

CEO/CFO CERTIFICATION

To
The Board of Directors
COMFORT INTECH LTD
Mumbai

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 and to the best of our knowledge and belief that:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

iii. No transactions entered into by the Company during the above said period which are fraudulent, illegal or volatile of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors that:

iv. Significant changes in internal control over financial reporting during the year;

v. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and

vi. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
ANIL AGRAWAL
Chairman & Managing Director

Place : Mumbai

Date : 18.07.2013

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT THE INDUSTRY:

NBFCs are an integral part of the country's financial system complementing the services of commercial banks. The main reason attributed to the growth of NBFCs is the comprehensive regulation of the banking system. Other factors include higher level of customer orientation, lesser pre/post sanction requirements and higher rates of interest on deposits being offered by NBFCs. It is mandatory that every NBFC should be registered with RBI to carry on any business of non banking financial institution.

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognized as they have inherent ability to take quicker decisions, assume greater risks, and customize their services and charges more according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis. The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments, etc. By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc.

The importance of NBFCs in delivering credit to the unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection.

An Overview of Regulation of NBFCs

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies.

(1) Mission

To ensure that:

- the financial companies function on healthy lines,
- these companies function in consonance with the monetary policy framework, so that their functioning does not lead to systemic aberrations,
- the quality of surveillance and supervision exercised by the RBI over the NBFCs keeps pace with the developments in this sector.
- comprehensive regulation and supervision of Asset liability and risk management system for NBFCs,

(2) Amendments to the Reserve Bank of India (RBI) Act, 1934

RBI Act was amended in January 1997 providing for, *inter alia.*

- Entry norms for NBFCs and prohibition of deposit acceptance (save to the extent permitted under the Act) by unincorporated bodies engaged in financial business,
- Compulsory registration, maintenance of liquid assets and creation of reserve fund,

- Power of the RBI to issue directions to an NBFC or to the NBFCs in general or to a class of NBFCs.
- Comprehensive regulation and Supervision of deposit taking NBFCs and limited supervision over those not accepting public deposits.

(3) Basic Structure of Regulatory and Supervisory Framework

- Prescription of prudential norms akin to those applicable to banks,
- Submission of periodical returns for the purpose of off-site surveillance,
- Supervisory framework comprising (a) on-site inspection (CAMELS pattern) (b) off-site monitoring through returns (c) market intelligence, and (d) exception reports by statutory auditors,
- Punitive action like cancellation of Certificate of Registration (CoR), prohibition from acceptance of deposits and alienation of assets, filing criminal complaints and winding up petitions in extreme cases, appointment of the RBI observers in certain cases, etc.
- Co-ordination with State Governments to curb unauthorised and fraudulent activities, training programmes for personnel of NBFCs, State Governments and Police officials.

(4) Other steps for protection of depositors' interest

- Publicity for depositors' education and awareness, workshops / seminars for trade and industry organizations, depositors' associations, chartered accountants, etc.

ABOUT THE COMFORT INTECH LIMITED:

Business Overview:

Our Company is a non deposit taking NBFC, registered with the RBI vide Registration No.B.01.00419. Our Company has been in the business of providing financial services since inception. This endeavor was initiated by Mr. Anil B. Agrawal, qualified Chartered Accountant and a first generation entrepreneur.

Our Company is primarily focused in providing inter corporate loans, personal loans, loans against shares & securities, loans against properties, trade financing, bills discounting, trading in shares & securities and arbitrage business in stock and commodity market. Being an, NBFC our Company has positioned itself between the organized banking sector and local money lenders, offering the customers competitive, flexible and timely lending services.

Recently your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January 2013.

Our Company offers financial services to commercial, industrial and financial clients with a one stop financial solution:-

Products & Services:

Our Company offers financial services to commercial, industrial and financial clients with a one stop financial solution:-

✓ Trade Finance & Bill Discounting

✓ Working capital loans

✓ Loan against property

✓ Margin funding and loan against approved securities

FINANCIAL PERFORMANCE :

Consolidated Revenues :

The total consolidated income of the Company for the FY 2012-13 comprises operating revenues of ₹ 1527.72 Lacs and other income of ₹ 10.52 lacs for the current year.

Standalone Revenues:

During the fiscal 2013, the gross operational income of the Company stood at ₹ 1426.57 Lacs as compared to previous fiscal of ₹ 1610.64 Lacs.

Consolidated Profits :

Profit before Tax (PBT) stood at ₹ 344.25 Lacs. Profit after Tax (PAT) stood at ₹ 265.15 Lacs.

Standalone Profits :

Profit after tax for the fiscal 2013 has declined to ₹ 172.56 lacs as compared to the previous year 208.16 lacs

Your company already intimated you regarding wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates. During the fiscal 2013, the gross operational income of the subsidiary stood at AED 773,700 and Operating Profit for the fiscal 2013 stood at AED 643,125.

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January, 2013.

The net worth of your company at the year end stands at ₹ 9033.76 Lacs which translated to a book value of ₹ 2.82/- per share of face value of Re. 1/-.

Financial Highlights:

- CIL recommended a dividend of 2% as on March 31, 2013.
- Income from operation stood at ₹ 1426.57 Lacs for fiscal 2013
- Profit Before Taxes of fiscal 2013 was ₹ 251.56 Lacs.
- Profit After Taxes of fiscal 2013 was ₹ 172.56 Lacs
- Basic Earning per share for fiscal 2013 was ₹ 0.05 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at ₹ 1104.34 Lacs as on March 31,2013
- Net Worth of company stood at ₹ 9033.76 Lacs as on March 31, 2013

SWOT ANALYSIS:

Strengths:-

- Ready contacts for business development: Our Company has strong relationships with the well established business houses in India cultivated through several years of client servicing.
- Promoted and managed by qualified and experienced professionals: Our Company is promoted by Mr. Anil B. Agrawal, Chartered Accountant who has more than 20 years of experience in financial services. The board of our Company comprises of qualified professionals, experienced in the industry.
- Existing profit making & dividend paying company: Our Company is an existing Profit making and paying dividend continuously for the previous seven years .
- Support of Group Entity: Comfort Securities Limited, one of our Group Entities is in the Business of capital market services and merchant banking activities is having a clientele base of over 3000 including corporate, HNI and retail investors. We leverage the cliental base of our group entity to provide funding in the form of margin funding as well as in terms of Loan against Demat Shares.

Weakness:-

- Branding: Despite our ready contacts for business development & listing on esteemed Exchange (BSE), our company is not a well established brand among large NBFC players who have access to larger financial resources.
- Accessibility: We do not have branches on a Pan India basis, so we are not able to explore the business opportunities in those regions.

Opportunities:-

- Large market: The players in the NBFC sector still have a lot of scope to cover larger market and the rural markets are still untapped.
- Desire for status: With increased desire of individuals to improve their standard of living, the NBFC industry is getting exposed to new category of Client (Individuals) in a big way with large share of business coming from this segment apart form corporate clients.

Threats:-

- Economic Downturn: If the Economic downturn is prolonged it can reduce the financing need of people due to shrinking business opportunities.
- Private Banks: Private Banks are also working on the similar business model as the NBFCs do, thereby giving a very strong competitions to the NBFC's.
- RBI and Government restrictions: With more stringent norms governing the functioning of NBFC and certain government restrictions act as a hindrance in smooth functioning of NBFC.

FUTURE STRATEGY:

- Expansion of existing activities: - Our Company intends to expand its financial services by enhancing its focus on margin funding, loan against shares and securities, loan against properties and corporate loan, bill discounting and working capital loan.
- Financial Management/Advisory Services: - We have an in house team which has the capacity to provide services in the area of financial management/advisory services like syndication for big ticket loans from banks, project appraisals, debt restructuring and arranging non fund based limits form bank. Our Company is planning to foray into business of financial management/advisory services with the potential clients.
- Differentiated Services:-In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.
- Brand recognition: We are in such a business where we are facing lot of competition. We are planning to put more efforts to build Comfort as a well known brand. Despite our existing contacts & listing on esteemed Exchange (BSE),our Company is not a well established brand among large NBFC players. We will be making the necessary arrangements for our brand reorganization.

REGULATORY:

As Being a Non-Banking Finance Company, is regulated by department of Non-Banking supervision of Reserve Bank of India. Company is current under category of Non –Deposit taking company so company is not within purview of various guidelines applicable. However RBI has issued several guidelines applicable to Non-Deposit taking companies, notable among which are:

- Submission of Financial
- Submission of Business-Continuity Certificate
- To exercise the Fair Practice Code
- Compliance with Prudential norms

Apart from this your company total assets size has increased to more than 100 crores and it become Systemcally Important Company and complying various complainces with RBI.

Company is complying various statutory provisions such as Companies Act, Income tax, Service tax, BSE & JSE Listing Agreement provisions and other applicable laws and regulations applicable to the company.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance's with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems. The management has put in place internal systems for review and monitoring of non performing assets of the company and to indicate corrective action for effecting recoveries.

CAUTIONARY:

Statement in the Management Discussion & Analysis, describing the company's objectives, projections and estimates are forward looking statement and progressive within the meaning of applicable laws & regulations. Actual result may vary from those expressed or implied. Important developments that could affect the company's operations are significant changes in political and economic environment in India, tax laws, RBI regulations, exchange rate fluctuation and other incidental factors.

Independent Auditor's Report

To the Members of
Comfort Intech Limited.
Report on the Financial Statements

We have audited accompanying financial statements of Comfort Intech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.

As stated in Note 1 (I) of Significant Accounting Policies followed by the company the Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion Paragraph,* the aforesaid financial statements give the information required by the Act 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 state of affairs of the Company as at March 31, 2013;

b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. **As required by section 227(3) of the Act, 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 purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause of Section 274(1)g of the Companies Act, 1956.

   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Bansal Bansal and Co.**
Chartered Accountants
FRN: 100986W

sd/-

Manoj Agrawal
Partner
Membership No. :107624

Place: Mumbai
Date: 30th May, 2013

Annexure to Independent Auditor's Report

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

1. In respect of its Fixed Assets
   (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
   (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed off during the year and going concern status of the company is not affected.
2. In respect of its inventories:
   (a) the stock in trade of shares and securities held in the physical format has been physically verified and those held in dematerialized format have been verified from the relevant statements received from the depositories during the year, by the management. Also the stock of properties acquired in satisfaction of claims have been physically verified during the year by the management.
   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of shares, securities and stock of properties acquired in satisfaction of claims followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
   (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of shares, securities and stock of properties acquired in satisfaction of claims by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted interest free unsecured loan to one party covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year and the year end balance of such loan aggregate to ₹ 15000000/- and ₹ 15000000/- respectively.
   (b) Except for the fact that this loan is interest free , in our opinion and according to the information and explanations given to us, the other terms and conditions of loan given are not prima facie prejudicial to the interest of the Company.
   (c) No stipulations for repayments have been prescribed and as such no comments regarding receipt of principal amount are being made.
   (d) As no stipulations for repayments have been prescribed, the clause regarding overdue amount is not applicable.
   (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories (share and securities) & fixed assets and payment for expenses & for sale of Shares and securities. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
   b) In our opinion and according to the information and explanations given to us, these contracts or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, where no similar transactions were taken place during the year with other parties , we are unable to comment whether the same is on prevailing market prices or not.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

9. (a) According to the records of the company, undisputed statutory dues including Income-tax, Service Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, which have not been deposited on account of any disputes.

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to bank.

12. According to the information and explanations given to us, the Company has maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in its own name.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. The company has not obtained any term loan during the year. Accordingly this clause is not applicable to the company.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Bansal Bansal and Co.**
Chartered Accountants
FRN: 100986W

sd/-

Manoj Agrawal
Partner
Membership No. :107624

Place: Mumbai
Date: 30th May, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(Amount in INR)

	Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
I	**Equity & Liabilities**					
	1. Shareholders' funds					
	(a) Share Capital	2	319,954,810		319,954,810	
	(b) Reserves and Surplus	3	584,679,581		574,909,762	
	(c) Money received against share warrants		-	**904,634,391**	-	**894,864,572**
	2. Share application money pending allotment		-		-	
	3. Non - Current Liabilities					
	(a) Long -Term Borrowings		-		-	
	(b) Deferred Tax Liabilities (Net)	4	705,906		885,711	
	(c) Other Long - Term Liabilities		-		-	
	(d) Long - Term Provisions		-		-	
				705,906		**885,711**
	4. Current Liabilities					
	(a) Short - Term Borrowings	5	187,189,511		244,764,508	
	(b) Trade Payables	6	45,000		55,435	
	(c) Other Current Liabilities	7	2,203,437		2,895,816	
	(d) Short - Term Provisions	8	20,261,901		20,129,593	
				209,699,849		**267,845,352**
	TOTAL			**1,115,040,146**		**1,163,595,636**
II	**Assets**					
	1. Non - Current Assets					
	(a) Fixed Assets	9				
	(i) Tangible Assets		9,151,863		33,516,525	
	(ii) Intangible Assets		-		-	
	(iii) Capital Work-in-Progress		-		-	
	(b) Non - Current Investments	10	98,826,043		75,194,043	
	(c) Long - Term Loans and Advances	11	104,455,589		89,455,589	
	(d) Other Non - Current Assets	12	1,257,911		1,997,766	
				213,691,407		**200,163,923**
	2. Current Assets					
	(a) Inventories	13	114,898,167		108,465,872	
	(b) Trade Receivables	14	277,979		12,888	
	(c) Cash and Bank Balances	15	110,434,477		122,528,407	
	(d) Short - Term Loans and Advances	16	672,557,958		729,950,561	
	(e) Other Current Assets	17	3,180,157		2,473,983	
				901,348,739		**963,431,713**
	TOTAL			**1,115,040,146**		**1,163,595,636**
	Significant Accounting Policies	1				

As per our report of even date
For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624
Place : Mumbai
Date : 30-05-2013

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in INR)

	Particulars	Note No.	For the year ended March 31, 2013		For the year ended March 31, 2012	
I	Revenue from Operations	18	141,604,720		159,769,187	
II	Other Income	19	1,052,112		1,294,363	
III	**Total Revenue (I + II)**			**142,656,833**		161,063,550
IV	Expenses					
	Purchases	20	71,029,627		131,093,264	
	Changes in Inventroies of Stock-in-trade	21	(6,432,295)		(29,342,398)	
	Employee Benefits Expenses	22	5,983,160		5,332,884	
	Finance Costs	23	28,196,196		1,757,073	
	Depreciation and Amortization Expense	9	1,009,602		1,122,989	
	Other Expenses	24	17,714,832		21,851,669	
	Total Expenses			**117,501,121**		131,815,481
V	**Profit before Tax (III-IV)**			**25,155,711**		29,248,069
VI	Exceptional Items			-		-
VII	Profit before Extraordinary Items and Tax (V-VI)			**25,155,711**		29,248,069
VIII	Extraordinary Items			-		-
IX	**Profit Before Tax (VII-VIII)**			**25,155,711**		29,248,069
X	**Tax Expense:**					
	(a) Current Tax		8,096,700		8,100,000	
	(b) Deferred Tax		(179,805)		332,343	
	(c) IncomeTax of Earlier years written off (Back)		(17,233)		-	
	(e) MAT Credit Entitlement		-		-	
				7,899,662		8,432,343
XI	**Profit for the Period from Continuing Operations (IX - X)**			**17,256,050**		20,815,726
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	**Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)**			-		-
XV	**Profit for the Period (XI + XIV)**			**17,256,050**		20,815,726
XVI	Earnings Per Equity Share (Face Value Rs. 1/- Per Share):	25				
	Basic & Diluted (Rs.)			**0.05**		0.07
	Significant Accounting Policies	1				

As per our report of even date
For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

Place : Mumbai
Date : 30-05-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in INR)

	Year ended 31st March, 2013		Year ended 31st March, 2012	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax for the year		25,155,711		29,248,069
Adjustments for :				
Interest Paid	28,196,196		1,757,073	
Depreciation	1,009,602		1,122,989	
(Profit) or Loss on sale of Fixed Assets	-		150,908	
Capital (Gain) or Loss on sale of Investments	-		(5,883,721)	
Provision for Advances	86,178		2,788,540	
Baddebts Written Off	2,643,078		6,326,135	
Rent Received	(379,162)		(262,000)	
Misc. Expenses w/off	739,854	32,295,746	739,849	6,739,774
Operating Profit before Working Capital change		57,451,458		35,987,843
Adjustments for :				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(6,432,295)		(29,342,398)	
Trade receivables	(265,091)		21,311,633	
Short-term loans and advances	52,330,385		(382,742,991)	
Long-term loans and advances	(15,000,000)		-	
Other current assets	(706,174)		1,298,151	
Other non-current assets	-	29,926,824		(389,475,605)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(10,435)		55,435	
Other current liabilities	(692,380)		430,466	
Other long-term liabilities	-		-	
Short-term provisions	-		-	
Long-term provisions	-	(702,815)	-	485,901
Cash Generated From Operations		86,675,467		(353,001,861)
Income Tax paid		5,663,626		12,501,374
NET CASH FROM OPERATING ACTIVITIES Total (A)		81,011,841		(365,503,235)
CASH FLOW FROM INVESTING ACTIVITIES				
Investments (Purchased)/Sold	(23,632,000)		13,216,483	
Fixed Assets (Purchased)/Sold	23,355,060		(23,868,614)	
Rent Received	379,162		262,000	
NET CASH USED IN INVESTING ACTIVITIES Total (B)		102,222		(10,390,132)

CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Equity Capital	-		-	
Dividend Paid (including Dividend Tax)	(7,436,801)		(7,461,516)	
Loan taken / (Repaid) in Secured Loan	(57,574,996)		235,844,980	
Preliminary Expenses Paid	-		-	
Interest paid	(28,196,196)		(1,757,073)	
NET CASH FROM FINANCING ACTIVITIES Total (C)		(93,207,993)		226,626,391
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)		(12,093,929)		(149,266,976)
Cash and Cash Equivalents -- Opening Balance		122,528,407		271,795,383
Cash and Cash Equivalents -- Closing Balance		110,434,478		122,528,407
		0		(0)

Note: Previous year's figures have been regrouped/
rearranged
wherever considered necessary.

As per our report of even date

For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W
Sd/-
Manoj Agrawal
Partner
M. No. 107624
Place : Mumbai
Date : 30-05-2013

For & on behalf of the Board

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE –'1'

SIGNIFICANT ACCOUNTING POLICIES:

A. The financial accounts are prepared under the accrual method, unless otherwise stated, and at historical cost.

B. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. **Accounting of Income/Expenditure**

All income and expenditure items having a material bearing on the financial statements are recognised on accrual basis except in the case of dividend income & interest receivable from / payable to government on tax refunds / late payment of taxes, duties / levies which are accounted for on cash basis.

As per prudential norms prescribed by Reserve Bank of India, interest income has been recognized only on standard advances given by the Company.

D. **Investments:**

Investments in Shares / Mutual Funds are stated at cost.

E. **Stock in Trade:**

i) Closing stock in case of quoted shares has been valued at cost or market value whichever is lower. Wherever quotations are not available as on 31 March 2013, inventory has been valued at last traded price or at cost whichever is lower. Wherever quotations are not available due to scrip has been suspended / delisted for a considerable period of time by stock exchanges has been valued at nil rate.

ii) Closing stock of properties acquired in satisfaction of loan claimed has been valued at cost to the company.

F. **Fixed Assets/Depreciation**

Fixed assets are shown at historical cost inclusive of incidental expenses less accumulated depreciation.

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on Fixed Assets added or sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

G. **Taxation:**

Provision for income tax has been made in accordance with normal provisions of Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using tax rates and laws that have been substantively enacted as of the balance sheet date.

H. **Foreign Exchange Transactions:**

Foreign Currency transactions are accounted for at the exchange rates prevailing at the time of recognition of income/ expenditure and difference if any, resulting in income or expenses dealt with in profit & loss account under the head Foreign Exchange Fluctuation Gain.

Foreign currency monitory items are reported using the closing rates. Exchange difference arising on reporting them at closing rate i.e. at the rate different from those at which they were initially recorded are recognized as income or expenses as the case may be.

I. **Retirement Benefits :**

No provision has been made for Gratuity and Leave encashment as the same is accounted for on Payment basis.

J. **Impairment of assets**

The carrying amounts of assets are viewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

K. **Earnings per share**

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all diluted potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the shares outstanding). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. The number of shares and potentially dilutive equity shares adjusted for any stock splits and issues of bonus shares effected prior to the approval of the financial statements by the Board of Directors.

L. **Preliminary Expenses**

Preliminary expenses are amortised over a period of five years.

Note 2 - Share Capital

(Amount in INR)

	Particulars	As at March 31, 2013	As at March 31, 2012
	Authorised :		
	40,00,00,000 Equity Shares (Previous Year 40,00,00,000) of ₹ 1/- each	**400,000,000**	400,000,000
	TOTAL	**400,000,000**	400,000,000
	Issued, Subscribed and Paid-up :		
	31,99,38,080 Equity Shares (Previous Year 31,99,38,080) of ₹ 1/- each	**319,938,080**	319,938,080
	Forfeited Shares	**16,730**	16,730
	TOTAL	**319,954,810**	319,954,810
(a)	**Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**		
	Number of shares at the beginning of the year	**319,938,080**	319,938.080
	Add: Number of Shares allotted fully paid up during the year	-	
	Less: Number of Shares bought back during the year	-	-
	Number of shares outstanding as at the end of the year	**319,938,080**	319,938,080

(b) Terms / Rights attached to Equity Shares.

i) The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of Equity Share is entitled to one vote per share.

ii) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuring Annual General Meeting.

iii) During the year ended 31st March 2013, amount of Dividend recognised as distributions to Equity Shareholders was ₹ 63,98,762/- (31st March, 2012 was ₹ 63,98,762/-).

iv) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(c) **The details of shareholders holding more than 5% shares.**

Name of the Shareholders	As at March 31, 2013		As at March 31, 2012	
	Nos. of Shares	% held	Nos. of Shares	% held
Luharuka Investment and Consultants Pvt Ltd	76651453	23.96%	75552203	23.61%
Luharuka Exports Private Limited	75847821	23.71%	74752821	23.36%

(Amount in INR)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Note 3 - Reserves & Surplus				
(i) Special Reserve				
As per last Balance Sheet	21,466,506		17,303,361	
Add: Transferred from Profit and Loss Account	3,451,210		4,163,145	
Less: Transferred to Profit and Loss Account	-		-	
		24,917,716		21,466,506
(ii) Share Premium				
As per last Balance Sheet	522,567,120		522,567,120	
Add: On Issue on Shares	-		479,907,120	
		522,567,120		522,567,120
(iii) Surplus in the Profit & Loss Account				
As per last Balance Sheet	30,876,136		21,660,355	
Add: Profit for the year	17,256,050		20,815,726	
Amount available for appropriations	48,132,186		42,476,082	
Less: Appropriations				
Transferred to Special reserve	(3,451,210)		(4,163,145)	
Proposed dividend on Equity Shares [Dividend per share Re 0.02/- (Previous year Re. 0.02/-)]	(6,398,762)		(6,398,762)	
Tax on Dividend	(1,087,470)		(1,038,039)	
	(10,937,441)	37,194,745	(11,599,946)	30,876,136
TOTAL		584,679,581		30,876,136
Note 4 - Deffered Tax Liabilities				
Deffered Tax Liabilities	885,711		553,368	
Add / Less: During the Year	(179,805)		332,343	
	705,906		885,711	
Note 5 - Short Term Borrowings				
(a) Loans repayable on demand				
From banks				
Secured (against FDR)	10,584,306		69,513,001	
Unsecured	-		-	
		10,584,306		69,513,001

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in INR)

	Particulars		As at 31st March, 2013		As at 31st March, 2012
(b)	Loans and advances from Others				
	Secured*	151,605,205		150,251,507	
	Unsecured	25,000,000		25,000,000	
			176,605,205		175,251,507
			187,189,511		244,764,508
	*Secured against shares				

Note 6 - Trade Payables

	Particulars		As at 31st March, 2013		As at 31st March, 2012
(a)	Current payables (including acceptances) outstanding for less than 12 months		45,000		55,435
	TOTAL		45,000		55,435
(b)	Detailed note on debts due by the following persons:				
	(i) Directors and other officers		-		-
	(ii) Firms in which any director is a partner		-		-
	(iii) Private companies in which director is a member/director		-		14,800
	TOTAL		-		14,800

Note 7 - Other Current Liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
Security Deposits from Arbitragers and Tenants	60,982	1,050,000
Outstanding Liabilities for Expenses	1,591,785	1,295,146
Margin bill Discounting Deposit	45,720	45,720
Other Payables	504,950	583,152
TOTAL	2,203,437	2,465,351

Note 8 - Short-Term Provisions

Particulars		As at 31st March, 2013		As at 31st March, 2012
Contingent provision for Standard Advances	1,502,780		1,960,982	
Contingent provision for Sub-Standard Advances	1,289,840		1,500,000	
Provision for doubtful debts	1,886,350		1,131,810	
Provision for Taxation	8,096,700		8,100,000	
Provision for Proposed Dividend	6,398,762		6,398,762	
Provision for Tax on Proposed Dividend	1,087,470		1,038,039	
TOTAL		20,261,901		20,129,593

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note - 9 :- Fixed assets

(Amount in INR)

A.	Tangible assets : Own Assets	Gross block				Accumulated depreciation and impairment				Net block	
		Balance as at 1 April, 2012 (Rupees)	Additions (Rupees)	Disposals (Rupees)	Balance as at 31 March, 2013 (Rupees)	Balance as at 1 April, 2012 (Rupees)	Depreciation / amortisation expense for the year (Rupees)	Other adjustments (Rupees)	Balance as at 31 March, 2013 (Rupees)	Balance as at 31 March, 2013 (Rupees)	Balance as at 31 March, 2012 (Rupees)
	(a) Office Premises #	24,813,854	-	24,042,764	771,090	307,686	12,569	97,705	222,550	548,540	24,506,168
	(b) Furniture and Fixtures	5,822,237	326,719	-	6,148,956	2,096,506	375,070	-	2,471,576	3,677,380	3,725,731
	(c) Vehicles	4,780,363	-	-	4,780,363	723,385	454,135	-	1,177,520	3,602,843	4,056,978
	(d) Office Equipments	1,316,978	53,390	-	1,370,368	401,567	64,440	-	466,007	904,361	915,411
	(e) Computers & Software	480,550	209,890		690,440	168,313	103,388		271,701	418,739	312,237
	Total	**37,213,982**	**589,999**	**24,042,764**	**13,761,217**	**3,697,457**	**1,009,602**	**97,705**	**4,609,354**	**9,151,863**	**33,516,525**
	Previous year	**13,950,864**	**24,128,614**	**865,496**	**37,213,982**	**3,029,056**	**1,122,989**	**454,588**	**3,697,457**	**33,516,525**	**10,921,808**

A Sum of Rs. 23,945,059/- included under Office Premises transferred from Fixed Asset to Stock-in-trade.

Note - 10 :- Non- Current Investments

(Amount in INR)

Particulars	**Nos.**	**Cost As on 31.03.2013**	**FMV As on 31.03.2013**	**Nos.**	**Cost As on 31.03.2012**	**FMV As on 31.03.2012**
In Equity Shares of Associate Companies - Unquoted Fully paid-up						
Comfort Securities Ltd. (F.V. Rs. 10/- each)	5,750,000	56,000,000	NA	5,750,000	56,000,000	NA
Lemonade Share & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	220,000	22,000,000	NA	-	-	-
In Equity Shares of Others- Unquoted Fully paid-up						
The Malad Sahkari Bank Ltd (F.V. Rs. 10/- each)	100	1,000	NA	100	1,000	NA
Total [A]	**5,970,100**	**78,001,000**	**-**	**5,750,100**	**56,001,000**	**-**
In Equity Shares of Others- Quoted Fully paid-up						
Syncom Formulation (I) Ltd (F.V. Rs. 10/- each)	186,453	5,568,043	14,151,783	186,453	5,568,043	9,826,073
Comfort Commotrade Ltd. (F.V. Rs. 10/- each)	1,200,000	13,625,000	29,700,000	400,000	13,625,000	NA
Total [B]	**1,386,453**	**19,193,043**	**43,851,783**	**586,453**	**19,193,043**	**9,826,073**
In Equity Shares of Subsidiary Companies - Unquoted Fully paid-up						
Luharuka Tradelink Pvt. Ltd. (F.V. Rs. 10/- each)	9,800	98,000	NA	-	-	-
Total [C]	**9,800**	**98,000**	**-**	**-**	**-**	**-**
In Equity Shares of Subsidiary Companies - Unquoted Fully paid-up						
Finsolution Services FZE of 1,00,000 AED	-	1,534,000	NA	-	-	-
Total [D]		**1,534,000**	**-**			
TOTAL [A+B+C+D]	**7,366,353**	**98,826,043**	**43,851,783**	**6,336,553**	**75,194,043**	**9,826,073**

Notes	Current Year	Previous Year
1. Aggregate amount of Quoted Investment	19,193,043	19,193,043
2. Aggregate Market Value of Quoted Investment	43,851,783	9,826,073
3. Aggregate amount of Un-Quoted Investment	79,633,000	56,001,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in INR)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
Note 11 - Long - Term Loans & Advances				
Capital Advances		89,455,589		89,455,589
Loan to Subsidiary		15,000,000		-
		104,455,589		89,455,589
Note 12 - Other Non-Current Assets				
Miscellanous Expenditure to the extent not w/off				
Preliminary Expenses	346,946		536,522	
Right Issue Expenses (2009-10)	1,650,820		2,201,093	
Add: During the year	-		-	
Less: W/off during the year	(739,854)		(739,849)	
		1,257,911		1,997,766
TOTAL		1,257,911		1,997,766
Note 13 - Inventories				
(a) Stock-in-trade (Shares)		58,453,108		108,465,872
(Valued at lower of cost or Market Value)				
(b) Stock-in-trade (Properties acquired in satisfaction of claims)		56,445,059		-
(Valued at cost to the Company)				
TOTAL		114,898,167		108,465,872
Note 14 - Trade Receivables				
(a) (i) Due for a period exceeding six months				
- Unsecured, considered good		8,883		-
- Doubtful	-		-	
Less: Provision for Doubtful Debts	-	-	-	-
		8,883		-
(ii) Others				
- Unsecured, considered good	269,096			12,888
- Doubtful	-		-	
Less: Provision for Doubtful Debts	-	269,096	-	-
		269,096		12,888
TOTAL		277,979		12,888
(b) Detailed note on debts due by the following persons :				
(i) Directors and other officers		-		-
(ii) Firms in which any director is a partner		-		-
(iii) Private companies in which director is a member/ director		268,879		8,883
TOTAL		268,879		8,883

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 15 - Cash & Bank Balances

(Amount in INR)

Particulars	As at March 31, 2013		As at March 31, 2012	
Cash & Bank Balances				
(i) Balances with Banks :				
- Current Accounts	2,652,834		20,399,209	
- Deposit Accounts (Under lien with Banks)	106,768,401	109,421,235	101,268,401	121,667,610
(ii) Cash-in-hand		13,242		860,797
(iii) Cheques & Drafts in-hand		1,000,000		-
TOTAL		110,434,477		122,528,407

Note : Fixed Deposits with Banks include deposits of Rs. 11258401/- (Previous Year Rs. 101268401/-) with maturity of more than 12 months.

Note 16 - Short Term Loans & Advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(i) Security deposits				
Secured, considered good	11,000		186,000	
Unsecured, considered good	-			
Doubtful	-	11,000	-	186,000
(ii) Advances recoverable in cash or in kind for value to be received				
i) Advances Considered good & in respect of which Company is fully secured	583,043,726		655,910,964	
ii) Advances Considered good for which Company holds no Security others than personal security	18,067,704	601,111,429	40,677,136	696,588,100
iii) Sub-Standard Advances in respect of which Company is fully secured				
Secured, considered good	6,290,648		15,000,000	
Unsecured, considered good	5,747,935		-	
Doubtful (Secured)	3,772,700	15,811,283	3,772,700	18,772,700
(iii) Prepaid Expenses		84,229		83,604
(iv) Share Application Money Given		43,400,000		-
(v) Other Advances		259,500		20,500
(vi) Advance income tax , TDS & STT - Unsecured, considered good		11,880,517		14,299,658
TOTAL		672,557,958		729,950,561

Note : Share Application Money of Rs. 12,200,000 paid to related party i.e. M/s Comfort Capital Pvt. Ltd. and Rs. 31,200,000 paid to related party i.e. M/s Liquor India Ltd.

Note 17 - Other Current Assets

Particulars	As at March 31, 2013	As at March 31, 2012
FDR Interest Receivable	3,180,157	2,473,983
	3,180,157	2,473,983

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 18 - Revenue from Operations

(Amount in INR)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
Sales of Shares	10,545,202		55,276,638	
Export sale of Software	-		1,200,585	
Profit from F&O trading & Non-delivery transaction	(2,518,106)	8,027,095	(6,776,108)	49,701,115
Professional Fees received		-		92,000
Interest Received		131,388,226		98,378,453
Income from Mutual Fund		90,102		1,562,029
Dividend Received		1,538,345		2,005,631
Long Term Capital Gain on Shares		-		2,570,110
Short Term Capital Gain on Shares		-		3,313,611
Loan Processing Fees		560,952		2,146,238
TOTAL		**141,604,720**		**159,769,187**

Note : Sales of Shares include Stock transfer of Rs. Nil (Previous Year Rs. 22,43,217/-) from Stock-in-trade to Investments.

Note 19 - Other Income

Misc Income	560,404	849,414
Rent Received	379,162	262,000
Commission / Brokerage Received	75,816	170,000
Sundry Balances Written Off	-	12,950
Interest received on IT Refund	36,730	-
TOTAL	**1,052,112**	**1,294,363**

Note 20 - Purchases

Purchases of Shares	14,584,568	131,093,264
Properties acquired in satisfaction of claims	32,500,000	-
Conversion of Fixed Asset into Stock in trade	23,945,059	
TOTAL	**71,029,627**	**131,093,264**

Note : Purchase of Shares include transfer of Rs. Nil (Previous Year Rs. 1,20,50,946/-) from Investments to Stock-in-trade.

Note 21 - Changes in Inventories of Stock-in-trade

Inventroies at the end of the year		
Shares	58,453,108	108,465,872
Properties (including transfer form Fixed Asset)	56,445,059	-
Inventroies at the beginning of the year		
Shares	108,465,872	79,123,474
Properties (including transfer form Fixed Asset)	-	-
Net (Increase) / Decrease in Inventroies	**(6,432,295)**	**(29,342,398)**

Note 22 - Employement Benefit Expenses

Salaries , Bonus & Allowances	5,735,494	5,250,867
Staff Welfare Expenses	247,666	82,017
TOTAL	**5,983,160**	**5,332,884**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 23 - Financial Costs

(Amount in INR)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expenses	28,196,196	1,757,073
TOTAL	**28,196,196**	**1,757,073**

Note 24 - Other Expenses

Particulars		For the year ended March 31, 2013		For the year ended March 31, 2012
Advertisement Expenses		149,877		141,530
Annual Listing Fees		112,961		111,468
Bad debts W/off		2,643,078		6,326,135
Charities & Donation		50,000		161,000
Custodial Fees		112,360		110,300
Demat & Share trf Expenses		119,285		238,925
Commission Paid		300,000		2,491,609
Contract charges paid to Dealers		-		121,990
Electricity Expenses		1,036,392		600,261
Foreign Exchange Fluctuation Loss		-		18,281
Loss on Sale / Discard of Fixed Assets		-		150,908
Legal & Professional Fees		3,842,466		1,972,084
Insurance Expenses		86,608		131,487
Rates & Taxes (Professional Tax)		2,500		2,500
Payments to Auditors :				
- Audit fees	105,408		75,000	
- Tax Audit fees	-		-	
- For Other Services	-		-	
- For Reimbursement of Expenses	-	105,408	-	75,000
Repair & Maintenance to Building		-		-
Repair & Maintenance to Other Assets		350,811		145,539
Rent		960,000		960,000
Share Trading Expenses		412		104,684
Securities Transaction Tax		107,986		364,785
Sundry Balance w/off		3,255		-
Telephone , Telex and Postage		625,473		556,139
Travelling Expenses		3,362,172		1,399,797
Prov for Standard & Doubtful Advances		86,178		2,788,540
Printing & Stationery		272,603		338,275
Preliminary Expenses W/off		189,581		189,576
Right Issue Expenses W/off		550,273		550,273
Other Expenses		2,645,153		1,800,583
TOTAL		17,714,832		21,851,669

A sum of Rs. 90248 (Previous Year Rs. Nil) (Net Debit) is included under other expenses representing net prior period items.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 25 - Earnings Per Equity Share

(Amount in INR)

	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a)	Net profit after tax attributable to equity shareholders for Basic EPS	17,256,050	20,815,726
	Add/Less: Adjustment relating to potential equity shares		-
	Net profit after tax attributable to equity shareholders for Diluted EPS	17,256,050	20,815,726
(b)	Weighted average no. of equity shares outstanding during the year		
	For Basic EPS	319,938,080	319,938,080
(c)	Face Value per Equity Share (Rs.)	1.00	1.00
	Basic EPS	0.05	0.07

Note 26 - Amounts due to Micro, Small and Medium Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made related to micro, small and medium enterprise. The company does not have any transactions with such entities.

27. **Contingent liabilities & Commitments:**

Particulars	2012-13 (Rs.)	2011-12 (Rs.)
Claims against the Company / Disputed Liabilities, not acknowledged as Debt	22,52,550	22,52,550

28. Profit / loss from F&O and Non Delivery transactions are accounted on net of brokerage paid.

29. Advances recoverable in cash or in kind or for value to be received in respect of which company is fully secured includes:-

Particulars	2012-13 (Rs.)	2011-12 (Rs.)
Secured against Immovable Property	9,15,93,002	17,72,49,152
Secured against Shares	50,15,14,072	5,75,20,750

30. **Foreign Currency Transactions:**

Particulars	2012-13 (Rs.)	2011-12 (Rs.)
Outgo:		
Travelling Expenses	1,88,243	196,780
Legal & Professional Charges	-	5,41,343
Earnings:		
Export of Software	-	12,00,585

31. Balances of the Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and resultant reconciliation, if any.

32. There are no dues to Micro and Small Enterprises as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

33. In accordance with Accounting standard 'AS-18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

Parties Where Control Exists : Finsolution Services FZE – Wholly Owned Subsidiary
Luharuka Tradelink Pvt. Ltd. - Subsidiary

Parties with whom transaction have taken place.

A. Name of the related parties & description of relationship

a)	Key Managerial Personnel and their enterprises	:	Shri. Bharat Shiroya (Executive Director) Smt. Annu Agrawal (Director) Shri Anil Agrawal (Managing Director) Anil Agrawal –HUF (HUF of Mr. Anil Agrawal, Managing Director) Shri Jugal Thacker (Independent Director) Shri Janak Mehta (Independent Director) Shri Anand Agarwal (Independent Director)
b)	Relative of Key Managerial Personnel	:	M/s Luharuka Travels & M/s Luharuka Enterprises (Proprietorship concerns of Mr. Pradeep Agrawal, brother of Managing Director i.e. Anil Agrawal
c)	Associates	:	Comfort Securities Ltd Comfort Fincap Ltd. Comfort Commotrade Ltd. Comfort Capital Pvt. Ltd. Luharuka Dealers Pvt. Ltd. Luharuka Investment & Consultants Pvt. Ltd. Luharuka Exports Pvt. Ltd. Lemonade Share & Securities Pvt. Ltd. Liquors India Ltd.
d)	Subsidiary	:	Luharuka Tradelink Pvt. Ltd.
		:	Finsolution Services FZE

B. Transactions during the year with related parties: -

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates	Subsidiary
A	**Equity Contribution**	**-** **-**	**-** **-**	**2,20,00,000** **(96,00,000)**	**16,32,000** **-**
	- Comfort Commotrade Ltd.	- -	- -	- (96,00,000)	- -
	- Lemonade Share & Securities Pvt. Ltd.	- -	- -	2,20,00,000 -	- -
	- Luharuka Tradelink Pvt. Ltd.	- -	- -	- -	98,000 -
	- Finsolution Services FZE	- -	- -	- -	15,34,000 -
B	**Share Application Money paid pending allotment**	**-** **-**	**-** **-**	**4,34,00,000** **-**	**-** **-**
	- Comfort Capital Pvt. Ltd.	- -	- -	1,22,00,000 -	- -
	- Liquors India Ltd.	- -	- -	3,12,00,000 -	- -

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates	Subsidiary
C	**i) Loan Given**	**-** **-**	**-** **-**	**-** **(3,55,50,000)**	**1,50,00,000** **-**
	- Luharuka Dealers Pvt Ltd	- -	- -	- (3,55,50,000)	- -
	- Luharuka Tradelink Pvt Ltd	- -	- -	- -	1,50,00,000 -
	ii) Loan Received Back	**-** **-**	**-** **-**	**-** **(3,55,50,000)**	**-** **-**
	- Luharuka Dealers Pvt Ltd	- -	- -	- (3,55,50,000)	- -
D	**Expenditure;**				
	Brokerage Paid	**-** **-**	**-** **-**	**67,422** **(16,48,088)**	**-** **-**
	- Comfort Securities Ltd	- -	- -	67,422 (16,48,088)	- -
	Demat Charges Paid	- -	- -	18,296 (30,401)	- -
	- Comfort Securities Ltd	- -	- -	18,296 (30,401)	- -
	Office Rent Paid	**9,60,000** **(9,60,000)**	**-** **-**	**-** **-**	**-** **-**
	- Anil Agrawal HUF	4,80,000 (4,80,000)	- -	- -	- -
	- Smt. Annu Agrawal	4,80,000 (4,80,000)	- -	- -	- -
	Directors Remuneration	**17,49,520** **(14,78,763)**	**-** **-**	**-** **-**	**-** **-**
	- Shri Anil Agrawal	8,93,712 (7,20,000)	- -	- -	- -
	- Shri Bharat Shiroya	8,55,808 (7,58,763)	- -	- -	- -
	Travelling Expenses	**-** **-**	**10,74,965** **(5,18,451)**	**-** **-**	**-** **-**
	- Mr. Pradeep Agrawal	- -	10,74,965 (5,18,451)	- -	- -
	Misc. Expenses	**-** **-**	**-** **(12,400)**	**-** **-**	**-** **-**
	- Mr. Pradeep Agrawal	- -	- (12,400)	- -	- -
	Reimbursements Made	**-** **-**	**-** **-**	**-** **(6,92,500)**	**-** **-**
	- Comfort Capital Pvt Ltd	- -	- -	- (3,00,000)	- -
	- Comfort Fincap Ltd	- -	- -	- (3,92,500)	- -

Figure in bracket relates to previous year.

34. In accordance with Accounting standard AS -22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a net deferred tax asset of Rs. 1,79,805/- as on 31ST March, 2013. (Previous Year 3,32,343/-).

A	LIABILITY	Current Year	Previous Year
	WDV as per companies Act : Rs. 91,51,863 WDV as per Income Tax Act : Rs. 69,76,163	**7,05,906**	8,85,711
B	ASSETS	**Nil**	Nil
	Net Deferred Tax Liability (A-B)	**7,05,906**	8,85,711

35. During the fiscal year 2012-2013, the Company had remitted an amount of 1,00,000 AED in its Wholly Owned Subsidiary (WOS) i.e. Finsolution Services FZE located at RAK Investment Authority, Ras Al Khaimah and United Arab Emirates. This remittance was toward subscription of shares in its WOS.

36. During the fiscal year 2012-2013, the Company had purchased 98% of the total shares of Luharuka Tradelink Pvt. Ltd. and became the Holding Company.

37. Prior Period Expenses

    A prior period expense is included under other expenses.

38. The Previous years figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.

39. Segment Reporting

The company had last year started its software and IT related operations and has identified two distinguishable reportable segments namely Non Banking Finance activities and IT related services. The segment reporting for the year ended on 31.03.2013, in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is as below:

(Rs. In Lacs)

Particulars	Financial Services	Information Technology Services	Total
SEGMENT REVENUES			
External Sales	-	-	-
	(1,585.69)	(12.01)	(1,597.69)
Inter Segment Sales	-	-	-
	-	-	-
Total	-	-	-
	(1585.69)	(12.01)	(1,597.69)
Segment Results	-	-	-
	(290.45)	(2.03)	(292.48)
Less : Taxation			-
			(84.32)
Net profit			-
			(208.15)
Other information:			
Segment Assets	-	-	-
	(11,631.50)	(4.45)	(11,635.95)
Segment Liabilities	-	-	-
	(2,612.94)	-	(2,687.31)

Figure in bracket relates to previous year.

A) The accounting policies adopted for segment reporting are in line with the accounting policies used in the preparation of financial statements.

B) Segment Assets includes all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist primarily of deposits from customers, creditors and statutory liabilities.

C) During the financial year 2012-2013 with effect from 01st April, 2012 the IT services division has been closed down and all the assets of the said division were transferred to financial services division. Hence there is no separate reportable segment for financial year 2012-2013.

As per our report of even date
For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

Place : Mumbai
Date : 30-05-2013

Schedule appended to the Balance Sheet of a Non-Banking Financial Company
[as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998]

(Rs. in Lacs)

	2012-13		**2011-12**	
Liabilities Side:				
(1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures : Secured	-	-	-	-
: Unsecured……………… (Other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred Credits………………………..	-	-	-	-
(c) Term Loans……………………………	1766.05	_	1752.52	
(d) Inter-Corporate loans and borrowing…..	-	-	-	-
(e) Commercial Paper………………………	-	-	-	-
(f) Public Deposits…………………………	-	-	-	-
(g) Other Loans……………………………..	-	-	-	-
Bank Overdrafts……………………………..	105.84	-	695.13	-
(2) Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures…………	-	-	-	-
(b) In the form of partly secured debentures……….	-	-	-	-
(c) other public deposits……………………………	-	-	-	-

<u>Assets Side</u>:	**2012-13** Amount outstanding	**2011-12** Amount outstanding
(3) Break-up of Loans and advances including bills Receivables [other than those included in (4) below]:		
(a) Secured………………………………………	5931.07	6746.84
(b) Unsecured…………………………………..	238.16	406.77
(4) Break up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities		
i. Lease assets including lease rentals under sundry debtors:		
(a). Financial lease………………………………..	-	-
(b). Operating lease………………………………	-	-
ii. Stock on hire including hire charges under sundry debtors:		
(a). Assets on hire ………………………………..	-	-
(b). Repossessed Assets…………………………..	-	-
iii. Hypothecation loans counting towards EL/HP activities		
(a). loans where assets have been repossessed…….	-	-
(b). Loans other than (a) above……………………	-	-

5. <u>Break-up of investment</u>: (net of provision for diminution)	**2012-13**	**2011-12**
<u>Current investment</u>:		
<u>1. Quoted:</u>		
i. Shares: (a) Equity……………………………	1148.98	1084.66
(b) Preference………………………..	-	-
ii. Debentures and Bonds………………………..	-	-
iii. Units of mutual funds…………………………	-	-
iv. Government Securities………………………..	-	-
v. Others ………………………………………....	-	-
<u>2. Unquoted :</u>		
i. Shares: (a) Equity……………………………	-	-
(b) Preference………………………..	-	-
ii. Debentures and Bonds………………………..	-	-
iii. Units of mutual funds………………………..	-	-
iv. Government Securities………………………..	-	-
v. Others………………………………………….	-	-

Long Term Investment:	2012-13	2011-12
1) Quoted:		
i) Shares: (a) Equity..................................	191.93	191.93
(b) Preference............................	-	-
ii) Debentures and Bonds...........................	-	-
iii) Units of mutual funds..............................	-	-
iv) Government Securities............................	-	-
v) Others – Trade able Warrants	-	-
1) Unquoted:		
i) Shares: (a) Equity	796.33	560.01
(b) Preference	-	-
ii). Debentures and Bonds............................	-	-
iii). Units of mutual funds	-	-
iv). Government Securities............................	-	-
v) Others---Application Money.....................	-	-
TOTAL..	**2137.24**	**1836.60**

(6). Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances (including other current Assets(Amount Net of provisions))

	2012-13			2011-12		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related parties	-	-	-	-	-	-
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties..................	-	-	-	-	-	-
2) Other than related parties	-	-	-	-		
	5931.07	238.16	6169.23	6746.84	406.77	7153.61
Total	**5931.07**	**238.16**	**6169.23**	**6746.84**	**406.77**	**7153.61**

(7). Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and Unquoted):

	2012-2013		2011-12	
Category	Market value/ break up or fair value or NAV	Book Value (Net of provisions)	Market value/ break up or fair value or NAV	Book value (Net of Provisions)
1. Related parties				
a. Subsidiaries	16.32	16.32	-	-
b. Companies in the same group	780.01	780.01	560.01	560.01
c. Other related parties..............................	-	-	-	-
2. Other than related parties............................	1587.50	1340.91	1190.19	1276.59
TOTAL	**2383.83**	**2137.24**	**1750.20**	**1836.60**

(8). Other information	**2012-13**	**2011-12**
i) Gross Non-Performing Assets		
(a) Related parties..	-	-
(b) Other than related parties	37.73	37.73
ii) Net Non-Performing Assets		
(a) Related parties..	-	-
Other than related parties...	37.73	37.73
iii) Assets acquired in satisfaction of debt......................................	-	

For & on behalf of the Board

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY			
1	Name of the Subsidiary	Finsolution Services FZE	Luharuke Tradelink Pvt. Ltd.
2	Financial year ended	31st March, 2013	31st March, 2013
3	Holding Company's Interest	100% in Equity Share Capital	98% in Equity Share Capital
4	Share held be the holding company in the subsidiary	1,00,000 Shares of AED 1 each	9,800 Equity Shares of Rs. 10/- each
5	The net aggregate of profits or losses for the above financial year of the subsidiary so far as it concerns the members of the holding company		
	a. Dealt with or provided for in the accounts of the holding Company	Rs. 92.37 Lacs	Rs. 0.22 Lacs
	b. Not dealt with or provided for in the accounts of the holding Company	Not Applicable	Not Applicable
6	The net aggregate of profits or losses for the previous financial year of the subsidiary so far as it concerns the members of the holding company		
	a. Dealt with or provided for in the accounts of the holding Company	The Subsidiary company has not commended any business activities	Not Applicable
	b. Not dealt with or provided for in the accounts of the holding Company	Not Applicable	Not Applicable

Independent Auditor's Report on Consolidated Financial Statements

To the Board of Directors of Comfort Intech Limited

1. We have audited the accompanying Consolidated financial statements of Comfort Intech Limited ('the company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March 2013, the Consolidated statement of Profit and Loss and Consolidated Cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

5. Basis for Qualified Opinion

Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.

As stated in Note 1 (I) of Significant Accounting Policies of standalone financial statements of the parent company Comfort Intech Ltd , the Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.

6. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter described in the Basis for Qualified Opinion Paragraph,* the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

d) in the case of the consolidated balance Sheet, of the state of affairs of the Company as at March 31, 2013;

e) in the case of the consolidated Profit and Loss Account, of the Profit for the year ended on that date; and

f) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

7. Other Matters

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs 103.27 Lacs as at 31st March 2013, total revenues of Rs 111.67 lacs and total cash inflow of Rs 110.17 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion , is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For **Bansal Bansal and Co.**
Chartered Accountants
FRN: 100986W

sd/-

Manoj Agrawal
Partner
Membership No. :107624

Place: Mumbai
Date: 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Amount in INR)

	Particulars	Note No.	As at March 31, 2013	
I	**Equity & Liabilities**			
	1. Shareholders' funds			
	(a) Share Capital	2	319,954,810	
	(b) Reserves and Surplus	3	594,162,947	
	(c) Money received against share warrants		-	**914,117,757**
	2. Share application money pending allotment			**800,000**
	3. Minority Interest			**2,018**
	4. Non - Current Liabilities			
	(a) Long -Term Borrowings		-	
	(b) Deferred Tax Liabilities (Net)	4	705,906	
	(c) Other Long - Term Liabilities		-	
	(d) Long - Term Provisions		-	
				705,906
	5. Current Liabilities			
	(a) Short - Term Borrowings	5	187,189,511	
	(b) Trade Payables	6	45,000	
	(c) Other Current Liabilities	7	2,235,273	
	(d) Short - Term Provisions	8	20,271,901	
				209,741,685
	TOTAL			**1,125,367,366**
II	**Assets**			
	1. Non - Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		9,151,863	
	(ii) Intangible Assets		-	
	(iii) Capital Work-in-Progress		-	
	(b) Non - Current Investments	10	97,194,043	
	(c) Long - Term Loans and Advances	11	89,455,589	
	(d) Other Non - Current Assets	12	1,257,911	
				197,059,407
	2. Current Assets			
	(a) Inventories	13	130,747,153	
	(b) Trade Receivables	14	277,979	
	(c) Cash and Bank Balances	15	121,534,503	
	(d) Short - Term Loans and Advances	16	672,562,958	
	(e) Other Current Assets	17	3,185,365	
				928,307,959
	TOTAL			**1,125,367,366**
	Significant Accounting Policies	1		

As per our report of even date
For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624
Place : Mumbai
Date : 30-05-2013

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in INR)

	Particulars	Note No.	For the year ended March 31, 2013	
I	Revenue from Operations	18	152,772,074	
II	Other Income	19	1,052,112	
III	**Total Revenue (I + II)**			**153,824,187**
IV	**Expenses**			
	Purchases	20	86,878,613	
	Changes in Inventroies of Stock-in-trade	21	(22,281,281)	
	Employee Benefits Expenses	22	5,983,160	
	Finance Costs	23	28,196,196	
	Depreciation and Amortization Expense	9	1,009,602	
	Other Expenses	24	19,612,585	
	Total Expenses			**119,398,874**
V	**Profit before Tax (III-IV)**			**34,425,312**
VI	**Exceptional Items**			-
VII	**Profit before Extraordinary Items and Tax (V-VI)**			**34,425,312**
VIII	**Extraordinary Items**			-
IX	**Profit Before Tax (VII-VIII)**			**34,425,312**
X	**Tax Expense:**			
	(a) Current Tax		8,106,700	
	(b) Deferred Tax		(179,805)	
	(c) IncomeTax of Earlier years written off (Back)		(17,233)	
	(e) MAT Credit Entitlement		-	
				7,909,662
XI	**Profit for the Period (before adjustment for Minority Interest (IX - X)**			**26,515,651**
XII	Add : Share of (Profit)/Loss transferred (to)/from Minority Interest			**(447)**
XIII	**Profit for the Period (after adjustment for Minority Interest (XI - XII)**			**26,515,204**
XIV	**Earnings Per Equity Share (Face Value Rs. 1/- Per Share):**	25		
	Basic & Diluted (Rs.)			**0.08**
	Significant Accounting Policies	1		

As per our report of even date
For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624
Place : Mumbai
Date : 30-05-2013

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in INR) Year ended 31st March, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year		34,425,313
Adjustments for :		
Interest Paid	28,196,196	
Depreciation	1,009,602	
Provision for Advances	86,178	
Baddebts Written Off	2,643,078	
Rent Received	(379,162)	
Misc. Expenses w/off	759,624	32,315 ,516
Operating Profit before Working Capital change		66,740,829
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(22,281,281)	
Trade receivables	(265,091)	
Short-term loans and advances	52,330,385	
Long-term loans and advances	(15,000,000)	
Other current assets	(710,798)	
Other non-current assets	-	14,073,214
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	15,019,154	
Other current liabilities	(469,445)	
Other long-term liabilities	-	
Short-term provisions	-	
Long-term provisions	-	14,549,709
Cash Generated From Operations		95,363,752
Income Tax paid		5,669,025
NET CASH FROM OPERATING ACTIVITIES Total (A)		89,694,727
CASH FLOW FROM INVESTING ACTIVITIES		
Investments (Purchased)/Sold	(23,632,000)	
Fixed Assets (Purchased)/Sold	23,355,060	
Rent Received	379,162	
NET CASH USED IN INVESTING ACTIVITIES Total (B)		102,222
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Equity Capital	1,534,000	
Dividend Paid (including Dividend Tax)	(7,436,801)	
Loan taken / (Repaid) in Secured Loan	(57,574,996)	
Share Application money paid pending allotment	800,000	
Interest paid	(28,196,196)	
NET CASH FROM FINANCING ACTIVITIES Total (C)		(90,873,993)
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)		(1,077,043)
Cash and Cash Equivalents -- Opening Balance		122,611,547
Cash and Cash Equivalents -- Closing Balance		121,534,504
		0

Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our report of even date

For Bansal Bansal & Co.
Chartered Accountants
FRN : 100986W

For & on behalf of the Board

Sd/-
Manoj Agrawal
Partner
M. No. 107624
Place : Mumbai
Date : 30-05-2013

Sd/-
Anil Agrawal
Managing Director

Sd/-
Bharat N. Shiroya
Executive Director

Sd/-
Ramadevi Gundeti
Company Secretary

Consolidated Notes to financial statements for the year ended March 31, 2013

NOTE –'1'

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

The consolidated financial statements relate to Comfort Intech Limited ('the Company') and its Wholly Owned Subsidiary and subsidiary company. The consolidated financial statements have been prepared on the following basis:

A. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

   i. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange translation reserve.

   ii. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

   iii. Minority Interest's share of net assets of consolidat ed subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

   iv. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements

B. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

C. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Note 2 - Share Capital

(Amount in INR)

Particulars	As at March 31, 2013
Authorised :	
40,00,00,000 Equity Shares (Previous Year 40,00,00,000) of Rs. 1/- each	400,000,000
TOTAL	**400,000,000**
Issued, Subscribed and Paid-up :	
31,99,38,080 Equity Shares (Previous Year 31,99,38,080) of Rs. 1/- each	319,938,080
Forfeited Shares	16,730
TOTAL	**319,954,810**

(a)	**Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**	
	Number of shares at the beginning of the year	319,938,080
	Add: Number of Shares allotted fully paid up during the year	-
	Less: Number of Shares bought back during the year	-
	Number of shares outstanding as at the end of the year	**319,938,080**

(b) Terms / Rights attached to Equity Shares.

i) The Company has only one class of Equity Shares having a par value of Rs. 1/- per share. Each holder of Equity Share is entitled to one vote per share.

ii) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuring Annual General Meeting.

Notes on Consolidated financial statements for the year ended March 31, 2013

(Amount in INR)

	Particulars		As at March 31, 2013
iii)	During the year ended 31st March 2013, amount of Dividend recognised as distributions to Equity Shareholders was Rs. 63,98,762/- (31st March, 2012 was Rs. 63,98,762/-).		
iv)	In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.		
(c)	**The details of shareholders holding more than 5% shares.**		
	Name of the Shareholders	As at March 31, 2013	
		Nos. of Shares	**% held**
	Luharuka Investment and Consultants Pvt Ltd	76651453	23.96%
	Luharuka Exports Private Limited	75847821	23.71%
Note 3 - Reserves & Surplus			
(i)	**Special Reserve**		
	As per last Balance Sheet	21,466,506	
	Add: Transferred from Profit and Loss Account	3,450,319	
	Less: Transferred to Profit and Loss Account	-	
			24,916,825
(ii)	**Share Premium**		
	As per last Balance Sheet	522,567,120	
	Add: On Issue on Shares	-	
			522,567,120
(iii)	**Surplus in the Profit & Loss Account**		
	As per last Balance Sheet	30,877,007	
	Add: Profit for the year	26,515,651	
	Amount available for appropriations	57,392,658	
	Less: Appropriations		
	Transferred to Special reserve	(3,450,319)	
	Proposed dividend on Equity Shares	(6,398,762)	
	[Dividend per share Re 0.02/- (Previous year Re. 0.02/-)]		
	Tax on Dividend	(1,087,470)	
		(10,936,550)	46,456,108
(iv)	**Foreign Exchange Translation Reserve**		222,894
	TOTAL		**594,162,947**
Note 4 - Deffered Tax Liabilities			
	Deffered Tax Liabilities		885,711
	Add / Less: During the Year		(179,805)
			705,906
Note 5 - Short Term Borrowings			
(a)	Loans repayable on demand		
	From banks		
	Secured (against Fixed Deposits)	10,584,306	
	Unsecured	-	
			10,584,306

Notes on Consolidated financial statements for the year ended March 31, 2013

(Amount in INR)

Particulars		As at March 31, 2013
(b) Loans and advances from Others		
Secured *	151,605,205	
Unsecured	25,000,000	
		176,605,205
		187,189,511

* Secured against shares

Note 6 - Trade Payables

(a) Current payables (including acceptances) outstanding for less than 12 months	45,000
	45,000

(b) Detailed note on debts due by the following persons :

(i) Directors and other officers	-
(ii) Firms in which any director is a partner	-
(iii) Private companies in which director is a member/director	-
TOTAL	**-**

Note 7 - Other Current Liabilities

Security Deposits from Tenants	60,982
Outstanding Liabilities for Expenses	1,623,621
Margin bill Discounting Deposit	45,720
Other Payables	504,950
TOTAL	**2,235,273**

Note 8 - Short-Term Provisions

Contingent provision for Standard Advances	1,502,780	
Contingent provision for Sub-Standard Advances	1,289,840	
Provision for doubtful debts	1,886,350	
Provision for Taxation	8,106,700	
Provision for Proposed Dividend	6,398,762	
Provision for Tax on Proposed Dividend	1,087,470	
TOTAL		**20,271,901**

Notes on Consolidated financial statements for the year ended March 31, 2013

Note - 9 :- Fixed assets

(Amount in INR)

A. Tangible assets : Own Assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
(a) Office Premises #	24,813,854	-	24,042,764	771,090	307,686	12,569	97,705	222,550	548,540	24,506,168
(b) Furniture and Fixtures	5,822,237	326,719	-	6,148,956	2,096,506	375,070	-	2,471,576	3,677,380	3,725,731
(c) Vehicles	4,780,363	-	-	4,780,363	723,385	454,135	-	1,177,520	3,602,843	4,056,978
(d) Office Equipments	1,316,978	53,390	-	1,370,368	401,567	64,440	-	466,007	904,361	915,411
(e) Computers & Software	480,550	209,890		690,440	168,313	103,388		271,701	418,739	312,237
Total	**37,213,982**	**589,999**	**24,042,764**	**13,761,217**	**3,697,457**	**1,009,602**	**97,705**	**4,609,354**	**9,151,863**	**33,516,525**
# A Sum of Rs. 23,945,059/- included under Office Premises transferred from Fixed Asset to Stock-in-trade.										

Note - 10 :- Non- Current Investments

(Amount in INR)

Particulars	Nos.	Cost As on 31.03.2013	FMV As on 31.03.2013
In Equity Shares of Associate Companies - Unquoted Fully paid-up			
Comfort Securities Ltd. (F.V. Rs. 10/- each)	5,750,000	56,000,000	NA
Lemonade Share & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	220,000	22,000,000	NA
In Equity Shares of Others- Unquoted Fully paid-up			
The Malad Sahkari Bank Ltd (F.V. Rs. 10/- each)	100	1,000	NA
Total [A]	**5,970,100**	**78,001,000**	**-**
In Equity Shares of Others- Quoted Fully paid-up			
Syncom Formulation (I) Ltd (F.V. Rs. 10/- each)	186,453	5,568,043	14,151,783
Comfort Commotrade Ltd. (F.V. Rs. 10/- each)	1,200,000	13,625,000	29,700,000
Total [B]	**1,386,453**	**19,193,043**	**43,851,783**
TOTAL [A+B]	**7,356,553**	**97,194,043**	**43,851,783**

Notes	Amount
1. Aggregate amount of Quoted Investment	19,193,043
2. Aggregate Market Value of Quoted Investment	43,851,783
3. Aggregate amount of Un-Quoted Investment	78,001,000

Notes on Consolidated financial statements for the year ended March 31, 2013

(Amount in INR)

	Particulars		As at March 31, 2013
Note 11 - Long - Term Loans & Advances			
	Capital Advances		89,455,589
			89,455,589
Note 12 - Other Non-Current Assets			
	Miscellanous Expenditure to the extent not w/off		
	Preliminary Expenses	366,716	
	Right Issue Expenses (2009-10)	1,650,820	
	Add: During the year	-	
	Less: W/off during the year	(759,624)	
			1,257,911
	TOTAL		**1,257,911**
Note 13 - Inventories			
(a)	Stock-in-trade (Shares)		58,453,108
	(Valued at lower of cost or Market Value)		
(b)	Stock-in-trade (Properties acquired in satisfaction of claims)		72,294,045
	(Valued at cost to the Company)		
	TOTAL		**130,747,153**
Note 14 - Trade Receivables			
(a)	**(i) Due for a period exceeding six months**		
	- Unsecured, considered good		8,883
	- Doubtful	-	
	Less: Provision for Doubtful Debts	-	-
			8,883
	(ii) Others		
	- Unsecured, considered good	269,096	
	- Doubtful	-	
	Less: Provision for Doubtful Debts	-	269,096
			269,096
	TOTAL		**277,979**
(b)	**Detailed note on debts due by the following persons :**		
	(i) Directors and other officers		-
	(ii) Firms in which any director is a partner		-
	(iii) Private companies in which director is a member/director		268,879
	TOTAL		**268,879**

Notes on Consolidated financial statements for the year ended March 31, 2013

(Amount in INR)

Particulars		As at March 31, 2013
Note 15 - Cash & Bank Balances		
Cash & Bank Balances		
(i) Balances with Banks :		
- Current Accounts	10,003,654	
- Deposit Accounts (Under lien with Banks)	110,517,026	120,520,680
(ii) Cash-in-hand		13,823
(iii) Cheques & Drafts in-hand		1,000,000
TOTAL		**121,534,503**

Note : Fixed Deposits with Banks include deposits of Rs. 11258401/- (Previous Year Rs. 101268401/-) with maturity of more than 12 months.

Particulars		As at March 31, 2013
Note 16 - Short Term Loans & Advances		
(i) Security deposits		
Secured, considered good	11,000	
Unsecured, considered good	-	
Doubtful	-	11,000
(ii) Advances recoverable in cash or in kind for value to be received		
i) Advances Considered good & in respect of which Company is fully secured	583,043,726	
ii) Advances Considered good for which Company holds no Security others than personal security	18,067,704	601,111,429
iii) Sub-Standard Advances in respect of which Company is fully secured		
Secured, considered good	6,290,648	
Unsecured, considered good	5,747,935	
Doubtful (Secured)	3,772,700	15,811,283
(iii) Prepaid Expenses		84,229
(iv) Share Application Money Given		43,400,000
(v) Other Advances		259,500
(vi) Advance income tax , TDS & STT - Unsecured, considered good		11,885,517
TOTAL		**672,562,958**

Note : Share Application Money of Rs. 12,200,000 paid to related party i.e. M/s Comfort Capital Pvt. Ltd. and Rs. 31,200,000 paid to related party i.e. M/s Liquors India Ltd.

Particulars		As at March 31, 2013
Note 17 - Other Current Assets		
FDR Interest Receivable		3,185,365
		3,185,365

Notes on Consolidated financial statements for the year ended March 31, 2013

Note 18 - Revenue from Operations

(Amount in INR)

Particulars	For the year ended March 31, 2013	
Sales of Shares	10,545,202	
Export sale of Software	-	
Profit from F&O trading & Non-delivery transaction	(2,518,106)	8,027,095
Professional Fees received		50,000
Management Consultancy Fees received		11,112,730
Interest Received		131,392,850
Income from Mutual Fund		90,102
Dividend Received		1,538,345
Long Term Capital Gain on Shares		-
Short Term Capital Gain on Shares		-
Loan Processing Fees		560,952
TOTAL		**152,772,074**

Note 19 - Other Income

Misc Income	560,404
Rent Received	379,162
Commission / Brokerage Received	75,816
Sundry Balances Written Off	-
Interest received on IT Refund	36,730
	1,052,112

Note 20 - Purchases

Purchases of Shares	14,584,568
Properties acquired in satisfaction of claims	48,348,986
Conversion of Fixed Asset into Stock in trade	23,945,059
TOTAL	**86,878,613**

Note 21 - Changes in Inventories of Stock-in-trade

Inventroies at the end of the year	
Shares	58,453,108
Propereties (including transfer form Fixed Asset)	72,294,045
Inventroies at the beginning of the year	
Shares	108,465,872
Propereties (including transfer form Fixed Asset)	-
Net (Increase) / Decrease in Inventroies	**(22,281,281)**

Note 22 - Employement Benefit Expenses

Salaries , Bonus & Allowances	5,735,494
Staff Welfare Expenses	247,666
TOTAL	**5,983,160**

Notes on Consolidated financial statements for the year ended March 31, 2013

Note 23 - Financial Costs

(Amount in INR)

Particulars		For the year ended March 31, 2013
Interest Expenses		28,196,196
TOTAL		**28,196,196**

Note 24 - Other Expenses

Advertisement Expenses		149,877
Annual Listing Fees		112,961
Bad debts W/off		2,643,078
Bank Charges		61,458
Charities & Donation		50,000
Custodial Fees		112,360
Demat & Share trf Expenses		119,285
Commission Paid		300,000
Contract charges paid to Dealers		-
Electricity Expenses		1,036,392
Foreign Exchange Fluctuation Loss		-
Loss on Sale / Discard of Fixed Assets		-
Legal & Professional Fees		3,847,874
Insurance Expenses		86,608
Rates & Taxes (Professional Tax)		2,500
Payments to Auditors :		
- Audit fees	130,973	
- Tax Audit fees	-	
- For Other Services	-	
- For Reimbursement of Expenses	-	130,973
Repair & Maintenance to Building		-
Repair & Maintenance to Other Assets		350,811
Rent , Rates & Taxes		1,415,310
Share Trading Expenses		412
Securities Transaction Tax		107,986
Sundry Balance w/off		3,255
Telephone , Telex and Postage		625,473
Travelling Expenses		4,074,797
Prov for Standard & Doubtful Advances		86,178
Printing & Stationery		272,603
Preliminary Expenses W/off		209,351
Right Issue Expenses W/off		550,273
Other Expenses		3,262,770
TOTAL		**19,612,585**

A sum of Rs. 90248 (Previous Year Rs. Nil) (Net Debit) is included under other expenses representing net prior period items.

Notes on Consolidated financial statements for the year ended March 31, 2013

Note 25 - Earnings Per Equity Share

(Amount in INR)

	Particulars	For the year ended March 31, 2013
(a)	Net profit after tax attributable to equity shareholders for Basic EPS	26,515,204
	Add/Less: Adjustment relating to potential equity shares	
	Net profit after tax attributable to equity shareholders for Diluted EPS	26,515,204
(b)	Weighted average no. of equity shares outstanding during the year	
	For Basic EPS	319,938,080
(c)	Face Value per Equity Share (Rs.)	1.00
	Basic EPS	0.08

Note 26 - Amounts due to Micro, Small and Medium Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made related to micro, small and medium enterprise. The company does not have any transactions with such entities.

Note 27

The Annual Consolidated Financial results have been prepared by consolidating the Company's Audited Annual Accounts for the financial year 2012-2013 with the Annual Accounts for the year ended 31st March, 2013 of its wholly owned subsidiary viz. Finsolution Services FZE, Ras Al Khaimah, Rakia, UAE and Subsidiary viz. Luharuka Tradelink Pvt. Ltd. respectively,which has been considered for the first time. In view of this we have not provided consolidated figures for previous financial year, as they are not comparable to current accounting year. The Company has prepared consolidated financial statements as per AS-21

Details pertaining to Subsidiary companies as per the requirement of Para (IV) of the directions under Section 212 (8) of the Companies Act, 1956, issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(Amount in INR)

Sr. No.	Particulars	Finsolution Services FZE	Luharuke Tradelink Pvt. Ltd.
1	Share Capital	15,34,000	1,00,000
2	Share Capital pending allotment		8,00,000
3	Reserve and Surplus	92,37,265	23,225
4	Total Assets	1,10,23,748	1,59,35,472
5	Total Liabilities	2,52,483	1,50,12,247
6	Investments (Excluding subsidiaries)	-	-
7	Turnover	1,11,12,730	54,624
8	Profit/(Loss) before tax	92,37,265	32,336
9	Provision for tax (including deferred tax)	-	10,000
10	Profit/(Loss) after tax	92,37,265	22,336
11	Proposed Dividend	Nil	Nil

COMFORT INTECH LIMITED

Registered Office: 106, Avkar, Algani Nagar, Kalaria, Daman 396 210 (U.T.)

PROXY FORM

I/We ______________________________ S/o, w/o, d/o ______________________________

residing at ______________________________

______________________________ being a member/member(s) of Comfort Intech Limited,

hereby appoint Mr./Mrs. ______________________________ residing at

______________________________ or of failing him/her

Mr./Ms. ______________________________ residing at ______________________________

as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Saturday, 31st August, 2013 at 4.30 P.M at Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman - 396210 (U.T. of DAMAN and DIU) and at any adjournment thereof.

Affix Re.1/-
Revenue
Stamp

Signed this ______________ day of ______________ 2013.

Signature
(Please sign across the Stamp)

Notes : This form in order to be valid should be duly stamped, completed and signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

COMFORT INTECH LIMITED

Registered Office: 106, Avkar, Algani Nagar, Kalaria, Daman 396 210 (U.T.)

ATTENDANCE SLIP

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, 31st August, 2013 at 4.30 P.M at Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman - 396210 (U.T. of DAMAN and DIU) and at any adjournment thereof.

Full name of the Member (in BLOCK LETTERS) : ______________________________

DP ID: ______________ Client ID: ______________ Folio No. ______________ No. of Shares Held ______________

Full name of Proxy (in BLOCK LETTERS) : ______________________________

____

____
Member's / Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over the same at the entrance of the meeting Hall)

Book - Post

To,

If undelivered Please return to:

COMFORT INTECH LIMITED
A-301, 3rd Floor, Hetal Arch, S. V. Road, Malad (West),
Mumbai - 400 064.
Tel.: 91-22-28449765/66

ORIENT

COMFORT INTECH LIMITED

A- 301, HETAL ARCH, OPP. NATRAJ MARKET, S.V.ROAD, MALAD (WEST), MUMBAI - 400 064
OFF : 2881 1259 / 2844 9765 / 2882 5509 / 2889 9462 • FAX : 022-2889 2527
E-mail : comfortin@vsnl.com • URL : www.comfortintech.com

Regd.office: 106, Avkar, Algani Nagar, Kalaria, DAMAN - 396 210 (U.T.)

FORM B

Sub : Manner of dealing with audit reports filed by listed companies

Ref : Clause -31a of the listing agreement and SEBI Circular no.CIR/CFD/DIL/7/2012 dated 13th August 2012

1.	Name of the Company	Comfort Intech Limited
2.	Annual Financial statements for the year ended	31st March, 2013
3.	Type of Audit qualification	Except for, the Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.
4.	Frequency of qualification	Repetitive
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report	The Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees. **Management response** As regards not making provision for retirement benefits of employees, the same has not been done in view of the meager staff strength
6.	Additional comments from the board / audit committee chair	NA
7.	**To be signed by**	
a	**Anil Agrawal** **Managing Director**	COMFORT INTECH LTD. Mumbai

b	**Anil Agrawal** CFO	
c	**Auditor of the Company** **Bansal Bansal and Co.** Chartered Accountants Manoj Agrawal Partner M.No. 107624	
d	**Jugal C Thacker** **Audit Committee Chairman**	