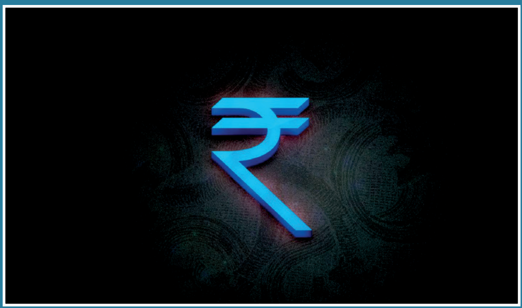
# COMFORT INTECH LIMITED

## 17TH ANNUAL REPORT 2010-11



**Financial Solutions at your Comfort . . .**

# Letter to Shareholders

Dear Shareholders,

It is the privilege to extend a warm welcome to you at the Seventeenth Annual General Meeting of your Company.

We would like to show our gratitude for your overwhelming response to the Rights Issue of your Company in this Financial Year.

This fiscal, entire globe has shown the signs of recovery from recession, however as you may already know, the overall market conditions, both on the debt and equity side have been rather challenging of late. We take this opportunity to explain to you, the Company's exposure to this market environment as well as the active steps of your management team is taking to ensure your investment continues to deliver the high returns you expect.

We would like to take this opportunity to provide you an update of the recent performance of your Company.

During the Fiscal 2010-11, Company has grown its spectrum of financial operations and increased its advances portfolio to Rs. 4236.57 Lacs and the interest income of the Company have been stood at Rs. 659.41 Lacs which has grown multifold as comparing to preceding fiscal of Rs. 193.91 Lacs. The recently launched software division of the Company has posed the export turnover of Rs. 126.36 Lacs.

However in this fiscal, Company profits have been marginally declined from Rs. 198.21 Lacs in fiscal 2010 to Rs 157.58 Lacs. This was mainly due to provisioning on advances as well as writing off some of its sub-standard advances and also to mark to market provisions on shares held by Company.

The Investor base of the Company has increased to 7146 by close of fiscal 2011.

The management has in place a strategy for each segment of the financial services sector, catering to the diverse needs of customers and empowering the Company as well as its investors.

Our aim in coming years is to continue the growth of Company and take it to new highs of challenging spectrum of financial solutions.

We thank all our stakeholders who have always stood by us i.e. you as well as to our clients, governments, associates and employees.

We thank you for your continued support and look forward to the same in the future.

**Anil Agrawal**
Chairman & Managing Director

## 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 A. Agrawal | - | Director |
| Mr. Anand Agarwal | - | Director |

## COMPANY SECRETARY

Mrs. Rama Devi Gundeti

## STATUTORY AUDITORS

M/s. Bansal Bansal & Co.,
Chartered Accountants,
152, 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

## REGISTRAR & SHARE TRANSFER AGENT

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

## REGISTERED OFFICE

106, Avkar, Algani Nagar,
Kalaria, Daman– 396 210 (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



| SEVENTEENTH ANNUAL GENERAL MEETING | |
|---|---|
| Day and Date | Saturday, July 16, 2011 |
| 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 SEVENTEENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd), Devka Beach, Nani Daman – 396 210 (U.T of DAMAN and DIU) on Saturday, 16th July, 2011 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, 2011 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 Mr. Janak Mehta who retires by rotation and being eligible, offers himself 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:

   Salary from Rs. 6,00,000/- to Rs 7,20,000/- 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:

   Salary from Rs. 7,20,000/- to Rs. 8,40,000/- per annum.

   Other benefits as per the rules of the Company."

By **Order of the Board**

**Sd/-**

**RAMA DEVI GUNDETI**
*Company Secretary*

Place : Mumbai
Dated : 30.05.2011

**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 12th July 2011 to 16th July 2011 (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 forms 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 ACT, 1956.

The following Explanatory Statement sets out the material facts relating to the business under item 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 15$^{th}$ October, 2007.

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

Salary from Rs. 6,00,000/- to Rs. 7,20,000/- 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 appointed as Managing Director of the Company in the Board Meeting held on 16$^{th}$ April, 2008 for the period of 5 years.

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

Salary from Rs. 7,20,000/- to Rs. 8,40,000/- 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*

Place : Mumbai
Dated : 30.05.2011

**Registered Office:**

106, Avkar, Algani Nagar,
Kalaria, Daman - 396210

### ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

| | |
|---|---|
| Name | Mr. Janak G Mehta |
| Age | 45 years |
| Qualification | B.Com, Diploma in Computer Studies from NCC (U.K). |
| Brief Profile | A graduate by qualification from Mumbai university and holds Diploma in Computer Studies from NCC (U.K). He has experience in the software operations. |
| Shareholding in the Company | Nil |

# DIRECTORS' REPORT

**To the Members of the Company,**

Your Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March, 2011. The financial results of the Company are summarized below:

## FINANCIAL RESULTS:

(Rs. In Lacs)

| PARTICULARS | YEAR ENDED 31ST MARCH 2011 | YEAR ENDED 31ST MARCH 2010 |
|---|---|---|
| Income from Operations | 11818.56 | 4425.88 |
| **Profit Before Depreciation and Taxes** | 196.93 | 287.51 |
| Less: Depreciation | (8.38) | (5.42) |
| Less : Provision for | | |
| (a) Income tax | (19.00) | (71.75) |
| (b) Deferred tax | (0.78) | (0.68) |
| Income Tax paid of Earlier years | (3.67) | (0.92) |
| Provisions for Loans & Advances | (7.51) | (10.53) |
| Profit for the Year | 157.58 | 198.21 |
| Add: Brought forward from last year | 165.15 | 100.16 |
| Distributable Profits | 322.73 | 298.37 |
| Appropriated as under : | | |
| Transfer to Special Reserve | (31.52) | (39.64) |
| Proposed Equity Dividend | (63.98) | (79.98) |
| Tax on Distributed Profits | (10.63) | (13.59) |
| Balance Carried Forward to Balance Sheet | 216.60 | 165.15 |

## DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2010-11 on Equity Share of Re.1/- each at Rs. 0.02 per share equivalent to 2% aggregating to Rs 63,98,762/- (Rupees Sixty Three Lacs Ninety Eight Thousand Seven Hundred and Sixty Two Only)

## FINANCIAL HIGHLIGHTS:

During the Fiscal 2010-11, Company has grown its spectrum of financial operations and increased its advances portfolio to Rs. 4236.57 Lacs and the interest income of the Company have been stood at Rs. 659.41 Lacs which has grown multifold as compared to preceding fiscal of Rs. 193.91 Lacs.

The recently launched software division of the Company has posed the export turnover of Rs. 126.36 Lacs. However this fiscal, Company profits have been marginally declined from Rs. 198.21 Lacs in fiscal 2010 to Rs 157.58 Lacs. This was mainly due to provisioning on advances as well as writing off some of its sub -tandard advances and also to mark to market provisions on shares held by Company.

The net worth of your Company at the year end stands at Rs. 8787.48 Lacs which translated to a book value of Rs. 2.75 per share of face value of Re. 1/-.

## DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Janak Mehta, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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 2010-2011 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 re-appointment.

## RIGHTS ISSUE :

Your Company has already informed you all, about the Rights issue of 15,99,69,040 Equity shares of Re. 1/- each at premium of Rs. 3/- each on a rights basis to the existing equity shareholders of the Company in the ratio of 1 (One) equity share for every 1 (One) equity share held aggregating Rs. 6398.76 Lacs. The process has been completed successfully and the paid up capital of the Company has been increased to Rs. 31,99,38,080/- from Rs.15,99,69,040/-

## *UTILIZATION OF PROCEEDS OF RIGHTS ISSUE:*

The statement of projected utilization of the Rights Issue proceeds as per Letter of Offer dated 27th May, 2010 against actual utilization as on 31st March, 2011 is as follows:

(Rs. in Lacs)

| **Proceeds of Rights Issue** | | **6398.76** |
|---|---|---|
| Objects of the Rights Issue | Proposed Utilization of Rights Issue Proceeds | Actual Utilization of Rights Issue Proceeds |
| **Capital for financing activity:-** | | |
| Margin funding, loan against shares & securities | 3000 | 1530 |
| Loan against properties | 1000 | 440 |
| Corporate loan, bill discounting, working capital loan | 1000 | 1231.21 |
| **Arbitrage activity** | 800 | 800* |
| **Acquisition of Shares of Comfort Securities Pvt Ltd** | 330 | 385 |
| **Brand building** | 160 | Nil |
| **Rights Issue Expenses** | 108.76 | 27.51 |
| **Total** | **6398.76** | **4413.72** |

* Signifies the Payment to Broker against bills as well as for Margin requirements.

The Balance fund has been invested in Fixed Deposits, Shares and Securities and lying in Bank Accounts.

## MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2010-11 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 31st March, 2011 is annexed hereto.

## 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.

## 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, Jaipur 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 : 30.05.2011

# ANNEXURE-1 TO DIRECTORS' REPORT:

| | | |
|---|---|---|
| ENERGY CONSERVATION | : | NA |
| TECHNOLOGY OBSERVATION | : | NA |

## FOREIGN EXCHANGE EARNINGS AND OUT GO:

| | | Amount in Rs. |
|---|---|---|
| Foreign exchange used | : | 1,49,965/- |
| Foreign exchange earned | : | 1,26,35,892/- |

# 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 our Company has also penetrated in to software and information technology venture and registered itself as an 100 % Export Oriented Unit at STPI Indore. The Company has posed the turnover of Rs. 126.36 Lacs

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:

During the fiscal 2011, the gross operational income of the Company stood at Rs. 11818.56 Lacs as compared to previous fiscal of Rs. 442.58 Lacs. The company has continued its lending activities and advances portfolio of the Company has been increased to Rs. Rs. 4236.57 Lacs and the interest income of the Company have been stood at Rs.659.41 Lacs which has grown multifold as comparing to preceding fiscal of Rs. 193.91 Lacs.

The Recently launched software division of the Company has posed the export turnover of Rs. 126.36 Lacs.

However this fiscal, Company profits have been marginally declined from Rs. 198.21 Lacs in fiscal 2010 to Rs 157.58 Lacs. This was mainly due to provisioning on advances as well as writing of some of its sub standard advances and also to mark to market provisions on shares held by Company.

**Financial Highlights:**

- CIL recommended a dividend of 2% as on March 31, 2011.
- Income from operation stood at Rs. 11818.56 Lacs for fiscal 2011
- Profit Before Taxes of fiscal 2011 was Rs. 188.54 Lacs.
- Profit After Taxes of fiscal 2011 was Rs. 157.58 Lacs
- Basic Earning per share for fiscal 2011 was Rs. 0.06 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at Rs. 2717.95 Lacs as on March 31,2011
- Net Worth of company stood at Rs. 8787.48 Lacs as on March 31,2011

**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 five 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 2000 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

Company is complying various statutory provisions such as Companies Act, Income tax, Service tax, BSE 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.

# 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 15 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 composition of the Board.
- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks and audits and continuous improvement in already well defined 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 31ST MARCH, 2011 :

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, 2011 are given below:

**I. Mr. Anil B Agrawal,** aged 49 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 Chairman of our Company and presently involved in day-to-day affairs including future planning, finances control and in strategic decision making of our Company. He is also a practicing chartered accountant in the name of M/s A. K. Luharuka & Associates since 20 years and has expertise in business advisory and capital markets transaction. 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

❖ Parasnath Textiles Limited

❖ Blend Financial Services Limited

Mr. Anil B Agrawal held 994245 equity shares in the Company as on March 31, 2011.

**II. Mr. Bharat N Shiroya,** aged 41 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 10 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

Mr. Bharat N Shiroya held 10525 equity shares in the Company as on March 31, 2011.

**III. Mrs. Annu A Agrawal,** aged 43 years is the Director of our Company. She is a graduate and has 9 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
- ❖ Parasnath Textiles Limited

Mrs. Annu Agrawal held 11632448 equity shares in the Company as on March 31, 2011.

**IV. Mr. Jugal C Thacker,** aged 47 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

Mr. Jugal C Thacker did not hold any equity shares in the Company as on March 31, 2011.

**V. Mr. Janak G Mehta,** aged 44 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 March 31, 2011

Mr. Janak G Mehta did not hold any equity shares in the Company as on March 31, 2011.

Mr. Janak G Mehta is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensurng Annual General Meeting.

**VI. Mr. Anand H Agarwal,** aged 49 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 on the Board of the following other public companies :

- ❖ Fineotex Chemical Limited.
- ❖ Mr. Anand H Agarwal did not hold any equity shares in the Company as on March 31, 2011.

## 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 six 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 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.

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 March 31, 2011, Six (6) Board Meetings were held on the following dates :

20th May 2010, 5th June 2010, 23rd July 2010, 2nd August 2010, 3rd November 2010 and 9th February 2011.

**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, 2011 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 | 6 | Yes | 4 | 1 | — |
| Mrs. Annu A. Agrawal | Non-Executive Promoter | 6 | No | 3 | 2 | — |
| Mr. Bharat N. Shiroya | Executive & Non Independent | 6 | Yes | 2 | 1 | — |
| Mr. Janak G. Mehta | Non-Executive & Independent | 4 | No | 1 | 2 | 1 |
| Mr. Jugal C Thacker | Non-Executive & Independent | 5 | No | 2 | — | 2 |
| Mr. Anand H Agarwal** | Non-Executive & Independent | 4 | Yes | 2 | — | — |

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

** Mr. Anand Agarwal ceased to be Chairman of the Audit Committee and member of the Remuneration Committee with effect from 3rd November, 2011.

## D) Code of Conduct:

The Code of Conduct, which has been formulated for the Board Members 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 2010-11:

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 |

Mr. Anand Agarwal has ceased as a Chairman of the Audit Committee of the Company with effect from 3rd November, 2010.

**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.

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 four (4) times during the financial year ended 31st March, 2011

i.e. on 5th June, 2010, 2nd August, 2010, 3rd November, 2010 and 9th February, 2011.

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 | 4 |
| Mr. Janak Mehta | Member | 4 |
| Mrs. Annu Agrawal | Member | 4 |
| Mr. Anand Agarwal* | - | 2 |

D. Mr. Anand Agarwal has ceased as Chairman of the Audit Committee w.e.f. 3rd November, 2010.

**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 and Mr. Anand Agarwal has ceased as a member of the Committee with effect from 3rd November, 2010.

The Committee has met one (1) time during the financial year ended 31st March, 2011 i.e. on 5th June, 2010

| 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 | — |
| Mr. Anand Agarwal* | Member | Independent & Non Executive Director | 1 |

* **Note :** Mr. Anand Agarwal has ceased as a member of the Remuneration Committee of the Company with effect from 3rd November, 2010 and Mrs. Annu Agrawal elected as a member of the Remuneration Committee with effect from 3rd November, 2010.

**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.

**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.

## 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, 2011 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, 2010 to 31st March, 2011:**

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.

## 4. GENERAL BODY MEETINGS:

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

**Annual General Meetings :**

| YEAR | LOCATION | DATE | TIME |
|---|---|---|---|
| 2007-2008 | Goregaon Sports Club, Mumbai | 26th July, 2008 | 4.00 p.m. |
| 2008-2009 | Hotel Miramar, Devka Beach, Nani Daman | 8th August 2009 | 4.00 p.m. |
| 2009-2010 | Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman | 17th July 2010 | 4.30 p.m. |

B. Extraordinary General Meetings:

There were no Extraordinary General Meetings conducted during the Financial Year 2010-11.

## 5. OTHER DISCLOSURES:

No materially significant related party transactions were entered into by the Company with its Promoters or Directors, which could be deemed to be potentially conflicting with the interests of the Company.

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 un-audited / audited Financial Results were publishes during the Financial year as follows:

| Financial Result | Un-Audited / Audited* | Newspapers |
|---|---|---|
| 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 unaudited / 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 newspapers as indicated above and also put on Company's website www.comfortintech.com

Note: Unaudited 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 Directors' 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 are discussed in the Directors Report.

## 7. GENERAL SHAREHOLDER INFORMATION :

(i) Annual General Meeting

Day, Date and Time: Saturday, 16th July, 2011 at 4.30 p m

Venue : Cidade De Daman (Hotel Sea View Pvt. Ltd), Devka Beach, Nani Daman – 396 210 (U.T of DAMAN and DIU)

(ii) Financial Calendar 2011-12 (Tentative)

Results for the quarter ending 30th June, 2011 : Second week of August 2011

Results for the quarter ending 30th Sep., 2011 : Second week of November 2011

Results for the quarter ending 31st Dec., 2011 : Second week of February 2012

Results for the year ending 31st March, 2012 : Last week of May 2012

(iii) Book Closure Date : 12-07-2011 to 16-07-2011 (Both the days inclusive)

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

(v) Equity shares listed on Stock Exchanges at : 1) Bombay Stock Exchange Limited
2) Jaipur Stock Exchange Limited

**Note:** The Annual listing fees as prescribed has been paid to all Stock Exchanges where shares are listed upto 31st March, 2011.

(vi) Stock Code

Trading Symbol at : Bombay Stock Exchange Limited (Physical Segment)
531216 COMFINTE

Demat ISIN Number in NSDL & CDSL : Equity Shares INE819A01023

(vii) Bombay Stock Exchange Stock Market Data (in Rs. / per share)

| Period | High (Rs.) | Low (Rs.) | Period | High (Rs.) | Low (Rs.) |
|---|---|---|---|---|---|
| April 2010 | 32.15 | 29.15 | Oct 2010 | 16.65 | 13.65 |
| May 2010 | 32.35 | 27.05 | Nov 2010 | 16.68 | 13.10 |
| June 2010 | 30.50 | 14.70 | Dec 2010 | 13.95 | 2.96 |
| July 2010 | 16.60 | 14.20 | Jan 2011 | 4.06 | 2.20 |
| Aug 2010 | 17.50 | 12.95 | Feb 2011 | 3.55 | 2.32 |
| Sep 2010 | 17.35 | 13.00 | Mar 2011 | 3.10 | 2.41 |

- 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 :

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

**Bigshare Services Pvt. Ltd.**
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 to 20 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 to 20 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, 2011.

| Range of Shareholding | No. of Shareholders | % of Total | Number of Shares | % of Total |
|---|---|---|---|---|
| 1-5000 | 5578 | 78.05 | 7499714 | 2.34 |
| 5001-10000 | 590 | 8.25 | 4711545 | 1.47 |
| 10001-20000 | 361 | 5.05 | 5292210 | 1.65 |
| 20001-30000 | 140 | 1.95 | 3590835 | 1.12 |
| 30001-40000 | 85 | 1.18 | 3034187 | 0.94 |
| 40001-50000 | 64 | 0.89 | 2996302 | 0.93 |
| 50001-100000 | 123 | 1.72 | 9457147 | 2.95 |
| 100001 and above | 205 | 2.86 | 283356140 | 88.56 |
| **Total** | **7146** | **100.00** | **319939080** | **100.00** |

(xi) Shareholding Pattern (Category Wise) As on 31st March, 2011 :

| Category | No. of Shares | Percentage |
|---|---|---|
| Promoters | 162119430 | 50.67 |
| Mutual Funds / UTI & Banks | — | — |
| Private Corporate Bodies | 45166826 | 14.11 |
| Resident Individuals | 112449883 | 35.13 |
| NRIs / FIIs | 137499 | 0.04 |
| Clearing Members | 64442 | 0.02 |
| **Total** | **319939080** | **100.00** |

(xii) **DEMATERIALISATION OF SHARES:**

Approximately 99.715 % of the Equity Shares have been dematerialized upto 31st March, 2011.

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).

(xiii) LIQUIDITY:

Relevant data of the average daily working days turnover for the Financial Year 2010-2011 is given below:

Bombay Stock Exchange Limited

Shares (in Lacs) : 23.45

Amount (in Rs. Lacs) : 244.56

**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.

# CEO/CFO CERTIFICATION

To
The Board of Directors
**Comfort Intech Limited**
Mumbai

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the period ended 31st March, 2011 and to the best of our knowledge and belief state 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 control 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 year 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
Dated : 30.05.2011

## 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, 2011, 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Share transfer-cum-investors Grievance Committee.

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/-
**ANAND DROLIA**
*Partner*

Place : Mumbai
Dated : 30th May, 2011

# AUDITORS' REPORT

To,

The Members of

**Comfort Intech Ltd.**

We have audited the attached Balance Sheet of **COMFORT INTECH LIMITED** as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph (2) above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

   c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. **Except AS-15, Accounting for retirement benefits in the financial statements of Employers**.

   e) On the basis of written representations received from all the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India;

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and

      ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

      iii) In the case of the cash flow statement, of the cash flows the year ended on that date.

For **BANSAL BANSAL & CO.**

*Chartered Accountants*

Sd/-

**Anand Drolia**

*Partner*

M.No.036718

Firm Registration No.100986W

Place : Mumbai

Dated : 30th May, 2011

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date to the Members of **COMFORT INTECH LIMITED** as on 31st March, 2011)

1. In respect of Fixed Assets:

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

   c. No substantial part of the fixed assets has been disposed off during the year, which has bearing on the going concern assumption.

2. In respect of Inventories:

   a. The Stock in trade of shares and securities held in the physical format has been physically verified and those held in the dematerialized format have been verified from the relevant statements received from the depositories during the year, by the management.

   b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. In our opinion, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of stock of shares and securities as compared to the book records.

3. a). The Company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b). The Company has taken interest free unsecured loan from Comfort Capital Pvt. Ltd. amounting to Rs. 2,80,00,000 for a period of one month (Maximum balance of Rs. 2,80,00,000) and the terms and conditions of the loans are not prejudicial to the interest of the Company.

4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of inventory (shares and securities) and fixed assets and for the sale of shares and securities. During the course of our audit, we have not observed any major weakness in internal controls.

5. In respect of contracts or arrangements and transactions covered under Section 301 of the Companies Act, 1956:

   a. According to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.

   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, wherever 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. In our opinion and according to the information given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.

7. The Company have internal audit system which commensurate with its size and nature of its business.

8. The Company has not prescribed to maintain of Cost Records under Section 209 (1) (d) of the Companies Act, 1956.

9. In respect of statutory dues:

   a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, cess, service tax and other material statutory dues applicable to it.

No undisputed amounts payable were in arrears, as 31st March, 2011 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and records of the Company examined by us there are no disputed amounts in respect of various statutes which have not been deposited.

10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and immediately preceding financial year.

11. The Company availed of overdraft facility against the lien of its own fixed deposits with banks. During the year under reference the Company has not defaulted in repayment of its dues in this regards.

12. In our opinion and according to the information and explanations given to us, loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund, nidhi, mutual benefit fund or a society.

14. The Company has maintained proper records of the transactions and contracts of its trading or dealing in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956 and a few shares held in broker's account as confirmed by them.

15. On the basis of the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.

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

17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, no undues raised on short term basis have been used for long term investment.

18. During the year covered by our audit report, the Company has not issued any secured debentures.

19. During the year the Company has raised Rs. 63,98,76,160/- from Rights Issue to the shareholders of the Company. The details of money raised and its utilization is given in note 14 of Schedule 13 and the same has been verified by us.

20. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **BANSAL BANSAL & CO.**
*Chartered Accountants*
Sd/-
**Anand Drolia**
*Partner*
M.No.036718
Firm Registration No.100986W

Place : Mumbai
Dated : 30th May, 2011

## BALANCE SHEET AS AT 31ST MARCH , 2011

| PARTICULARS | SCHEDULE | As At 31.03.2011 | As At 31.03.2010 |
|---|---|---|---|
| **SOURCE OF FUND** | | | |
| SHARE CAPITAL | 1 | 319,938,080 | 159,969,040 |
| **RESERVE & SURPLUS** | 2 | 561,547,565 | 73,343,500 |
| **BORROWED FUND** | | | |
| SECURED LOAN | 3 | | |
| Bank Overdraft (Secured against FDR) | | 8,863,502 | 12,705,205 |
| Contingent provision for Standard Advances | | 1,049,712 | - |
| Deferred Tax Liability | | 553,369 | 475,500 |
| **TOTAL** | | 891,952,228 | 246,493,245 |
| **APPLICATION OF FUND** | | | |
| **FIXED ASSETS** | 4 | | |
| Gross Block | | 13,950,864 | 9,576,324 |
| Less: Depreciation | | 3,029,059 | 2,190,327 |
| **Net Block** | | 10,921,805 | 7,385,997 |
| **INVESTMENTS** | 5 | 82,526,805 | 37,969,724 |
| **CURRENT ASSETS, LOANS & ADVANCES** | 6 | | |
| Sundry Debtors | | 21,324,521 | 26,036,309 |
| Stock in Trade | | 79,123,474 | 38,800,002 |
| Cash & Bank Balances | | 271,795,383 | 31,955,054 |
| Loan & Advances | | 436,160,054 | 151,120,761 |
| | | 808,403,433 | 247,912,126 |
| **Less :** | | | |
| **CURRENT LIABILITIES & PROVISIONS** | 7 | | |
| Current Liabilities | | 2,016,424 | 25,995,823 |
| Provisions | | 10,621,006 | 23,240,606 |
| | | 12,637,430 | 49,236,429 |
| **NET CURRENT ASSETS** | | 795,766,003 | 198,675,697 |
| **MISC. EXPENDITURE** | 8 | 2,737,615 | 2,461,826 |
| (To the extent not written off or adjusted) | | | |
| **TOTAL** | | 891,952,228 | 246,493,245 |
| **SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS** | 13 | | |

Schedule "1" to "13" form part of the accounts.
As per our reports of even date

**FOR BANSAL BANSAL & CO.**
Chartered Accountants
**Sd/-**
**ANAND DROLIA**
Partner

Place : Mumbai
Date : 30.05.2011

**For and on behalf of the Board**

**Sd/-**
**ANIL AGRAWAL**
Managing Director

**Sd/-**
**ANNU AGRAWAL**
Director

**Sd/-**
**RAMA DEVI GUNDETI**
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2011

| PARTICULARS | SCHEDULE | Year ended 31.03.2011 | Year ended 31.03.2010 |
|---|---|---|---|
| **INCOME** | | | |
| Income from Operations | 9 | 1,181,856,414 | 442,587,727 |
| Closing Stock | | 79,123,474 | 38,800,002 |
| **TOTAL [A]** | | 1,260,979,888 | 481,387,728 |
| **EXPENDITURE** | | | |
| Opening Stock | | 38,800,002 | 22,047,726 |
| Purchases of Shares | | 1,179,076,962 | 350,285,678 |
| Purchase of Softwares | | - | 71,309,691 |
| Payments to & Provisions for Employees | 10 | 4,627,909 | 2,916,072 |
| Loss on Sale of Buggy vehicles | | - | 793,583 |
| Establishment & Other Expenses | 11 | 17,771,733 | 5,001,157 |
| Financial Charges | 12 | 885,213 | 273,714 |
| Depreciation | | 838,732 | 542,580 |
| Prior Period Expenses | | 125,000 | 9,146 |
| | | 1,242,125,551 | 453,179,348 |
| **PROFIT BEFORE TAX** | | 18,854,337 | 28,208,381 |
| **PROVISION FOR :** | | | |
| Income Tax | | 1,900,000 | 7,175,000 |
| Deferred Tax | | 77,868 | 67,571 |
| Provision for Loans & Advances (Standard & Doubtful) | | 751,385 | 1,052,867 |
| Excess/Short Provision forEarlier Year Provided /(Written Back ) | | 366,622 | 91,516 |
| **PROFIT AFTER TAX** | | 15,758,462 | 19,821,427 |
| **PROFIT AFTER TAX & EXTRAORDINARY ITEMS** | | 15,758,462 | 19,821,427 |
| Add: Balance brought forward from previous year | | 16,515,101 | 10,015,748 |
| **BALANCE AVAILABLE FOR APPROPRIATIONS** | | 32,273,562 | 29,837,175 |
| Less: Transferred to Special Reserve | | 3,151,692 | 3,964,285 |
| Proposed Dividend on Equity Shares | | 6,398,762 | 7,998,452 |
| Tax on Dividend | | 1,062,754 | 1,359,337 |
| Surplus carried to the Balance Sheet | | 21,660,354 | 16,515,101 |
| **SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS** | 13 | | |
| EPS (Basic & Diluted) | | 0.06 | 0.12 |

Schedule "1" to "13" form part of the accounts.
As per our reports of even date

**FOR BANSAL BANSAL & CO.**
Chartered Accountants
**Sd/-**
**ANAND DROLIA**
Partner

Place : Mumbai
Date : 30.05.2011

**For and on behalf of the Board**

**Sd/-**
**ANIL AGRAWAL**
Managing Director

**Sd/-**
**ANNU AGRAWAL**
Director

**Sd/-**
**RAMA DEVI GUNDETI**
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | 31.03.2011 | 31.03.2010 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit / (Loss) before Tax | 18,854,337 | 28,208,381 |
| Adjustments for Depreciation | 838,732 | 542,580 |
| Bad Debts Written Off | 6,755,966 | - |
| Preliminary & Issue Expenses W/off | 739,849 | 252,117 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE | 27,188,884 | 29,003,078 |
| Adjustments for | | |
| (Increase) Decrease in Trade & Other receivables | 4,711,788 | (6,823,483) |
| (Increase) Decrease in Closing Stock | (40,323,471) | (16,752,276) |
| (Increase) Decrease in Other Current Assets | (7,758,448) | 1,979,991 |
| Increase (Decrease) in Trade Payables | (23,979,399) | 19,983,668 |
| CASH GENERATED FROM OPERATIONS | (40,160,646) | 27,390,978 |
| Direct Taxes Paid | (4,441,083) | (5,861,564) |
| NET CASH FLOW / (USED) IN OPERATING ACTIVITIES | (44,601,729) | 21,529,414 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchase)/Sale Proceeds of fixed Assets | (4,374,540) | (1,223,363) |
| Investments Matured(made) | (44,557,081) | 7,834,491 |
| NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES | (48,931,621) | 6,611,128 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Issuance of Capital | 639,876,160 | 0 |
| Loans Taken/(Repaid) | (3,841,703) | 12,705,205 |
| Loans & Advances Given | (292,287,349) | (73,125,932) |
| Preliminary & Issue Expenses Paid | (1,015,638) | (2,206,758) |
| Dividend (Including Corporate Dividend Tax) | (9,357,789) | (5,614,673) |
| NET CASH FLOW FROM / USED IN FINANCING ACTIVITIES | 333,373,681 | (68,242,158) |
| Net Increase/(decrease) in Cash & Cash Equivalents | 239,840,331 | 40,101,616 |
| Opening Cash & Cash Equivalent Balance | 31,955,054 | 72,056,670 |
| Closing Cash & Cash Equivalent Balance | 271,795,385 | 31,955,054 |

For and on behalf of the Board of Directors

| | Sd/- | Sd/- |
|---|---|---|
| Mumbai | **ANIL AGRAWAL** | **ANNU AGRAWAL** |
| Date: 30.05.2011 | Managing Director | Director |

We have examained the above Cash Flow Statement of COMFORT INTECH LTD derived from the audited financial statements for the year ended 31st March, 2011 and found the same to be drawn in accordance therewith and also with the requirement of clause 32 of the listing agreements the stock exchanges.

**For BANSAL BANSAL & CO.**
Chartered Accountants
**Sd/-**
**ANAND DROLIA**
Partner
M. No. 121605

# SCHEDULES FORMING PART OF THE ACCOUNTS

| | | As At 31st March, 2011 (Rs) | | As At 31st March, 2010 (Rs) |
|---|---|---|---|---|
| **SCHEDULE "1"** | | | | |
| **SHARE CAPITAL** | | | | |
| Authorised | | | | |
| 40,00,00,000 Equity shares of Rs. 1/- each. | | **400,000,000** | | 400,000,000 |
| Issued, subscribed, Called up & Paid Up | | | | |
| 31,99,38,080 Equity share of Rs. 1/- Each | | **319,938,080** | | 159,969,040 |
| [P.Y. 15,99,69,040 Equity share of Rs. 1/- Each] | | | | |
| *Notes:* | | | | |
| *During the current fiscal, the Company has issued and allotted 159969040 Equity Shares through Rights Issue in the ratio of 1:1* | | | | |
| **SCHEDULE "2"** | | | | |
| **RESERVE & SURPLUS** | | | | |
| Special Reserve | | | | |
| As per last Balance Sheet | **14,151,669** | | 10,187,384 | |
| Add: Transferred from Profit & Loss A/c | **3,151,692** | **17,303,361** | 3,964,285 | 14,151,669 |
| Share Premium | | | | |
| As per last Balance Sheet | **42,660,000** | | 42,660,000 | |
| Add: Premium on Issue of Shares | **479907120** | **522,567,120** | - | 42,660,000 |
| Share Forfeiture A/c | | **16,730** | | 16,730 |
| Profit & Loss A/c. | | **21,660,354** | | 16,515,101 |
| | | **561,547,565** | | 73,343,500 |
| **SCHEDULE "3"** | | | | |
| **SECURED LOANS** | | | | |
| Bank Overdraft (Secured against FDR) | | | | |
| OD with IDBI Bank | | **8,863,502** | | - |
| OD withUnion Bank Of India | | **-** | | 12,705,205 |
| | | **8,863,502** | | 12,705,205 |

# SCHEDULES FORMING PART OF THE ACCOUNTS

## SCHEDULE "4"

FIXED ASSETS AND DEPRECIATION AS PER COMPANIES ACT 1956 PERIOD : FOR 01/04/2010 TO 31/03/2011

| | GROSS BLOCK | | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | Rate Of Dep. | As On 01.04.2010 | Addition During The Year | Deduction During The Year | Assets Completely W/Off | As On 31.03.2011 | As On 01.04.2010 | For The Period | Dep.On Assets Com.W/Off | As On 31.03.2011 | As On 31.03.2011 | As On 31.03.2010 |
| Office Premises | 1.63% | 771,090 | - | - | - | **771,090** | 184,809 | 12,569 | | **197,378** | **573,712** | 586,281 |
| Computer & Software | 16.21% | 95,050 | 2,700 | - | - | **97,750** | 6,051 | 15,839 | | **21,890** | **75,860** | 88,999 |
| Furniture & Fixtures | 6.33% | 5,494,537 | 77,000 | - | - | **5,571,537** | 1,359,973 | 351,459 | | **1,711,432** | **3,860,105** | 4,134,564 |
| Motor Car | 9.50% | 1,360,009 | 4,285,850 | - | - | **5,645,859** | 349,514 | 323,297 | | **672,811** | **4,973,048** | 1,010,495 |
| Plant & Machinery including Office Equipments | 4.75% | 1,248,688 | 8,990 | | - | **1,257,678** | 280,472 | 59,727 | | **340,199** | **917,479** | 968,216 |
| Total | | 8,969,374 | 4,374,540 | - | - | **13,343,914** | 2,180,819 | 762,891 | - | **2,943,710** | **10,400,204** | 6,788,555 |

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

**SCHEDULE - 5**
**INVESTMENTS**

| Particulars | Nos. | Cost As on 31.03.11 | FMV As on 31.03.2011 | Nos. | Cost As on 31.03.11 | FMV As on 31.03.10 |
|---|---|---|---|---|---|---|
| Quoted Shares | | | | | | |
| BilPower Ltd. | - | - | - | 1,491 | 168,156 | 244,599 |
| Sandur Manganese & Iron Ores Ltd. | - | - | - | 1,500 | 1,743,610 | 1,058,475 |
| Pipavav Shipyard Ltd. | - | - | - | 5,791 | 335,878 | 407,686 |
| Persistent System Ltd | - | - | - | 49 | 15,190 | 15,190 |
| Koutons Retail Ltd. | 99,988 | 12,050,946 | 3,194,617 | - | - | - |
| Indiabulls Power Ltd. | 9,983 | 449,235 | 225,117 | 9,983 | 449,235 | 306,977 |
| Adani Power Ltd. | 6,000 | 600,000 | 676,800 | 12,133 | 1,213,300 | 1,406,821 |
| 8K Miles Software Services Ltd. | 110,150 | 5,132,269 | 5,244,242 | - | - | - |
| Svc resources Ltd. | 266,666 | 4,268,355 | 3,586,658 | 100,000 | 4,268,355 | 18,845,000 |
| Total [A] | 492,787 | 22,500,805 | 12,927,432 | 130,947 | 8,193,724 | 22,284,748 |
| Unqoted Shares | | | | | | |
| Comfort Securities Ltd. | 5,750,000 | 56,000,000 | NA | 600,000 | 17,500,000 | NA |
| Comfort Commotrade Pvt.Ltd. | 100,000 | 4,025,000 | NA | 65,000 | 2,275,000 | NA |
| Tradelink Exim (I) Pvt.Ltd. | - | - | - | 50,000 | 10,000,000 | NA |
| The Malad Sahkari Bank Ltd | 100 | 1,000 | NA | 100 | 1,000 | NA |
| Total [B] | 5,850,100 | 60,026,000 | | 715,100 | 29,776,000 | |
| TOTAL [A+B] | 6,342,887 | 82,526,805 | 12,927,432 | 846,047 | 37,969,724 | 22,284,748 |

| | As At 31st March, 2011 (Rs) | As At 31st March, 2010 (Rs) |
|---|---|---|
| **SCHEDIULE "6"** | | |
| **CURRENT ASSETS , LOANS & ADVANCES** | | |
| **I) SUNDRY DEBTORS** | | |
| (Unsecured considered good by the management) | | |
| Outstanding for a period exceeding six months | - | - |
| Other Debts | 21,324,521 | 26,036,309 |
| | 21,324,521 | 26,036,309 |
| **II) STOCK IN TRADE** | | |
| Shares & Securities | 79,123,474 | 38,800,002 |
| (as taken, valued & certified by the management) | 79,123,474 | 38,800,002 |
| **III) a) Cash in Hand** | 1,226,428 | 29,511 |
| **b) Balance With Banks** | | |
| 1) In Current Accounts | 178,595,758 | 1,220,747 |
| 2) In Deposit Accounts | 91,973,197 | 30,704,796 |
| | 271,795,383 | 31,955,054 |

## SCHEDULES FORMING PART OF THE ACCOUNTS

| | As At 31st March, 2011 (Rs) | As At 31st March, 2010 (Rs) |
|---|---|---|
| **IV) LOANS & ADVANCES** | | |
| A) TDS, Advance Tax & Securities Transaction Tax | 3,698,284 | 11,948,823 |
| B) Advances recoverable in cash or in kind for value to be received | | |
| i) Advances Considered good & in respect of which Company is fully secured | 300,240,350 | 112181527 |
| ii) Advances Considered good for which Company Holds no Security others than personal security | 119,644,421 | 21,641,381 |
| iii) Sub-Standard Advances in respect of which Company is fully secured | 3,772,700 | 3,772,700 |
| iv) Advances Considered doubtful or bad | - | 530,480 |
| C) Deposits & Interest Receivable | 6,982,016 | 884,502 |
| D) Prepaid Expenses | 171,283 | 146,173 |
| E) Advance Against Property Purchase | 1,651,000 | - |
| F) Input Tax & Service Tax | - | 15,175 |
| | 436,160,054 | 151,120,761 |
| Total (I+II+III+IV+V) | 808,403,433 | 247,912,126 |
| **SCHEDULE "7"** | | |
| **CURRENT LIABILITIES & PROVISIONS** | | |
| **CURRENT LIABILITIES** | | |
| Sundry Creditors | - | 24,307,043 |
| Security Deposits from Arbitragers and Tenants | 180,000 | 100,000 |
| Outstanding Liabilities for Assets | - | 143,875 |
| Outstanding Liabilities for Expenses | 917,539 | 1,098,701 |
| Bank Overdrafts | 56,024 | - |
| Advance Interest Received | 817,142 | 300,484 |
| Margin bill Discounting Deposit (supercoat Industries ) | 45,720 | 45,720 |
| [I] | 2,016,424 | 25,995,823 |
| PROVISIONS | | |
| Provision for Income Tax | 1,900,000 | 12,325,000 |
| Provision for Exp.for recovery of collateral security | 504,950 | 504,950 |
| Provision for doubtful debts | 754,540 | 1,052,867 |
| Proposed Dividend | 6,398,762 | 7,998,452 |
| Tax on Dividend | 1,062,754 | 1,359,337 |
| [II] | 10,621,006 | 23,240,606 |
| [I]-[II] | 12,637,430 | 49,236,429 |
| **SCHEDULE "8"** | | |
| **MISCELLANEOUS EXPENDITURE** | | |
| (To the extent not written off or Adjusted) | | |
| Right Issue Expenses (2005-06) | - | 124,871 |
| Preliminary Expenses | 726,098 | 853,344 |
| Right Issue Expenses (2009-10) | 2,751,366 | 1,735,728 |
| Written Off During the Year | (739,849) | (252,117) |
| | 2,737,615 | 2,461,826 |

## SCHEDULES FORMING PART OF THE ACCOUNTS

| | | As At 31st March, 2011 | | As At 31st March, 2010 |
|---|---|---|---|---|
| **SCHEDULE "9"** | | | | |
| **INCOME FROM OPERATIONS** | | | | |
| Sales: | | | | |
| Sales of shares | 1,081,240,555 | | 345,076,235 | |
| Profit from F&O trading & Non Delivery Transactions | 13,707,324 | 1,094,947,879 | (7,778,727) | 337,297,509 |
| Export sale of Software | | 12,635,892 | | 5,549,362 |
| Domestic Sales of Softwares & IT Products | | - | | 72,043,228 |
| Professional Fees Received | | - | | 2,000,000 |
| [Tax Deducted at Source: Rs.Nil/-, P.Y. Rs. 227218/-] | | | | |
| Interest Received | | 65,941,306 | | 19,391,747 |
| [Tax Deducted at Source: Rs.2883332/-, P.Y. Rs. 2112605/-] | | | | |
| Income from Mutual Fund | | 4,497,644 | | - |
| Dividend Received | | 889,664 | | 610,929 |
| Commission Received | | 3,929 | | 4,970 |
| Long Term Capital Gain on Shares | | (456,675) | | (617,277) |
| Short Term Capital Gain on Shares | | 2,024,586 | | 3,783,739 |
| Other Income | | 268,923 | | 245,171 |
| Sundry Balances Written Off | | 477 | | - |
| Loan Processing Fees | | 445,273 | | 312,429 |
| Profit on Loan Recovery | | 657,515 | | 1,965,920 |
| | | 1,181,856,414 | | 442,587,727 |
| **SCHEDULE "10"** | | | | |
| **PAYMENT TO & PROVISION FOR EMPLOYEES** | | | | |
| Salaries | | 4,194,726 | | 2,650,539 |
| Staff Welfare Expenses | | 12,797 | | 12,280 |
| Bonus | | 209,593 | | 92,226 |
| Leave Salary Encashment | | 210,793 | | 161,027 |
| | | 4,627,909 | | 2,916,072 |
| **SCHEDULE "11"** | | | | |
| **ESTABLISHMENT & OTHER EXPENSES** | | | | |
| Repair & Maintenance to Building | | 75,864 | | 108,464 |
| Repair & Maintenance to Other Assets | | 80,087 | | 125,822 |
| Electricity Expenses | | 118,140 | | 79,210 |
| Auditors Remuneration | | 82,725 | | 82,725 |
| Rent, Rates & Taxes | | 552,000 | | 522,000 |
| Bad Debts Written Off | | 6,755,966 | | - |
| Telephone Expenses | | 182,194 | | 177,794 |
| Internet & Website Expenses | | 37,880 | | 33,450 |
| Postage & Telegram Expenses | | 58,404 | | 59,657 |
| Demat & Share Transfer Exp. | | 157,277 | | 138,275 |

## SCHEDULES FORMING PART OF THE ACCOUNTS

| | As At 31st March, 2011 | As At 31st March, 2010 |
|---|---|---|
| **SCHEDULE "11" (Contd.)** | | |
| Conveyance | 25,454 | 8,193 |
| Travelling Exp. | 456,721 | 184,463 |
| Motor Car Expenses | 230,711 | 131,377 |
| Insurance Expenses | 95,500 | 3,401 |
| Printing & Stationary | 271,182 | 40,990 |
| Books & Periodicals | 41,000 | 50,645 |
| Entertainment Expenses | 181,273 | 32,513 |
| Annual Listing fees | 75,620 | 51,000 |
| Legal & Professional Charges | 450,626 | 218,131 |
| Advertisement Expenses | 50,225 | 217,094 |
| Registration & Filing Fees | 500 | 2,500 |
| Commission Paid | - | 33,750 |
| Director's Sitting Fees | 52,000 | 44,000 |
| Donation | 21,000 | 51,000 |
| Professional Tax & Interest Thereon | 2,500 | 2,500 |
| Sundry Balances W/off | - | 12,618 |
| Share Trading Expenses | 271,870 | 209,422 |
| Securities Transaction Tax | 4,735,183 | 1,516,608 |
| Legal Expenses | 133,000 | 266,000 |
| Shop & Establisment Fees Paid | 2,700 | 4,500 |
| STPI Fees | 50,000 | 15,000 |
| Foreign Exchange Fluctuation Loss | 303,857 | 72,696 |
| Contract charges paid to Dealers | 1,302,447 | 190,287 |
| Miscellaneous Expenses | 177,977 | 62,955 |
| Preliminary Expenses W/off | 189,576 | 127,246 |
| Right Issue Expenses W/off | 550,273 | 124,871 |
| | 17,771,733 | 5,001,157 |
| **SCHEDULE "12"** | | |
| **INTEREST & FINANCIAL CHARGES** | | |
| Bank Interest | 799,905 | 238,576 |
| Other interest | - | 1,213 |
| Bank Charges | 85,308 | 33,925 |
| | 885,213 | 273,714 |

SCHEDULE –'13'

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### A. SIGNIFICANT ACCOUNTING POLICIES:

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

**2. 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.

**3. 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, debenture interest and interest on fixed deposits with non-banking companies & 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.

**4. Investments:**

(i) Closing Stock of shares represents current investments. The same were valued at lower of cost or market value.

(ii) Investments in Shares:

a) Investments are stated at cost.

b) Dividend on shares trade as well as non trade is accounted for on receipt basis

**5. Stock in Trade:**

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 2011, 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.

**6. 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.

**7. 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.

The company is availing 100% tax exemption u/s 10B of the Income tax Act 1961 from the current year. Following ASI (Accounting Standard Interpretation) 5, deferred tax in respect of timing difference which originate during the tax holiday period and reverse during the tax holiday period is not recognized.

**8. 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.

**9. Retirement Benefits :**

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

**10. 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.

**11. Earning 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 earning per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earning 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.

## B. NOTES ON ACCOUNTS:

**1.** Contingent liability not provided for;

- Claims against the Company / Disputed Liabilities, not acknowledged as Debt: Rs. 22.53 Lacs (Previous Year: Nil)
- Bank Guarantee provided by Union Bank of India on behalf of Company in favor of Bombay Stock Exchange Limited in lieu of Security Deposit to Bombay Stock Exchange Limited : Rs. 31.99 Lacs (Previous Year: Nil)

**2.** The company has started its operation in computer software in the preceding fiscal i.e. F.Y. 2009-10.

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

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

a. Rs. 5,81,91,847/- secured against Immovable Property.

b. Rs 24,58,21,203/- secured against Shares.

**5.** Salary, Leave salary and Bonus includes amount of Managerial Remuneration as under:

| Particulars | **2010-2011 Rs.** | 2009-2010 Rs. |
|---|---|---|
| Directors' Remuneration | **13,01,841** | 12,18,151 |

**6. Auditors' Remuneration**

| | **2010-2011** | 2009-2010 |
|---|---|---|
| For Audit Fees | **Rs. 40,000** | Rs. 40,000 |
| For Tax Audit | **Rs. 15,000** | Rs. 15,000 |
| For Income Tax Matters | **Rs. 10,000** | Rs. 10,000 |
| For Other Services | **Rs. 10,000** | Rs. 10,000 |
| Service Tax | **Rs. 7,725** | Rs. 7,725 |
| | **Rs. 82,725** | Rs. 82,725 |

**7. Foreign Currency Transactions:**

Outgo in foreign currency: Traveling Expenses: Rs. 1,49,965/- (Previous Year: Purchase of BUGGY Rs 493216/- & Traveling Exp. Rs 14550/-)

Earning in Foreign Currency: Export Proceeds -STPI Unit Rs. 12,635,892/- (Previous year Rs. 5,549,362-)

**8. Earning Per Share:**

| | **2010-2011** | 2009-2010 |
|---|---|---|
| Basic & Diluted | **Rs. 0.06** | Rs. 0.12 |

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

**10.** There are no dues to Micro and Small Enterprises as at 31st March, 2011. 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.

**11.** 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 : Nil

Parties with whom transaction have taken place during the year.

**A. Name of the related parties & description of relationship**

| | | |
|---|---|---|
| a) | Key Managerial Personnel and their enterprises | Shri. Bharat Shiroya (Executive Director)<br>Smt. Annu Agrawal (Director)<br>Shri Anil Agrawal (Managing Director)<br>Anil Agrawal – HUF<br>(HUF of Mr. Anil Agrawal, Managing Director)<br>Shri Jugal Thacker (Independent Director)<br>Shri Janak Mehta (Independent Director)<br>Shri Anand Agrawal (Independent Director) |
| b) | Relative of Key Managerial Personnel | N.A |
| c) | Associates | Comfort Securities Ltd.<br>Comfort Commotrade Pvt. Ltd.<br>Comfort Capital Pvt. Ltd.<br>Luharuka Investment & Consultants Pvt. Ltd.<br>Luharuka Exports Pvt. Ltd. |

**B. Transactions during the year with related parties: -**

| Sr. No. | Particulars | Key Managerial Personnel | Relatives of Key Managerial Personnel | Associates |
|---|---|---|---|---|
| A | Proceeds from Issuance of Share | 2,65,11,280 | | 33,88,02,160 |
| B | Equity Contribution | | | 4,02,50,000 |
| C | i) Loan Taken | | | 2,80,00,000 |
| | ii) Loan Repaid | | | 2,80,00,000 |
| D | Expenditure: | | | |
| | Brokerage Paid | | | 11,90,379 |
| | Demat Charges Paid | | | 10,168 |
| | Trademark Rent received | | | 2,250 |
| | Office Rent Paid | 4,80,000 | | |
| | Directors Sitting fees | 52,000 | | |
| | Directors Remuneration | 13,01,841 | | |

**12.** 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 liability of Rs. 77,868/- as on 31ST March, 2011. (Previous Year 4,75,500/-).

| | | | |
|---|---|---|---|
| A | LIABILITY | **Current Year** | Previous Year |
| | WDV as per companies Act : Rs 10,400,204<br><br>WDV as per Income Tax Act : Rs. 8,734,310 | **5,53,368** | 4,75,500 |
| B | ASSETS | **Nil** | Nil |
| | Net Deferred Tax Liability (A-B) : Rs. 553368<br><br>Less: Opening Deferred tax liability : Rs. 475500 | **77,868** | 4,75,500 |

**13. 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 31.03.2011, 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 | 11692.21 | 126.36 | **11818.56** |
| Inter Segment Sales | - | - | **-** |
| **Total** | 11692.21 | 126.36 | **11818.56** |
| Segment Results | 72.87 | 108.16 | **181.03** |
| Less : Taxation | | | **23.44** |
| Net profit | | | **157.58** |
| Other information: | | | |
| Segment Assets | 8993.2 | 25.32 | **9018.52** |
| Segment Liabilities | 230.48 | 0.56 | **231.04** |

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.

**14. Rights Issue and Utilization of Proceeds:**

During the current financial year i.e FY 2010-11, Company has issued 15,99,69,040 Equity Shares of face value of Re. 1 at an issue price of Rs. 4 per Equity Share by way of Rights Issue making total subscribed, issued and paid up equity share capital to Rs. 31,99,38,080 /- divided into 218,00,35,200 equity shares of Re. 1/- each.

**Utilization of Proceeds of Rights Issue:**

The statement of projected utilization of the Rights Issue proceeds as per Letter of Offer dated 27th May 2010 against actual utilization as on 31st March, 2011 is as follows:

Rs. in Lacs

| | | |
|---|---|---|
| Proceeds of Rights Issue | | 6398.76 |
| **Objects of the Rights Issue** | Proposed Utilization of Rights Issue Proceeds | Actual Utilization of Rights Issue Proceeds |
| Capital for financing activity:- | | |
| Margin funding, loan against shares & securities | 3000 | 1530 |
| Loan against properties | 1000 | 440 |
| Corporate loan, bill discounting, working capital loan | 1000 | 1231.21 |
| Arbitrage activity | 800 | 800* |
| Acquisition of Shares of Comfort Securities Pvt Ltd | 330 | 385 |
| Brand building | 160 | Nil |
| Rights Issue Expenses | 108.76 | 27.51 |
| **Total** | 6398.76 | 4413.72 |

* Signifies the Payment to Broker against bills as well as for Margin requirements.

The Balance fund has been invested in Fixed Deposits, Shares and Securities and lying in Bank Accounts.

## 15. Details of Stock in Trade: (Shares & Securities)

| Particulars | As at 31.03.2011 | | As at 31.03.2010 | |
|---|---|---|---|---|
| | Qty (Nos.) | Amount (Rs.) | Qty (Nos.) | Amount (Rs.) |
| Adani Power Limited | - | - | 21,344 | 2,454,961 |
| Alok Industries Ltd. | 30,250 | 670,038 | 25,222 | 559,928 |
| Apollo Tyre Limited | - | - | 27,160 | 1,927,002 |
| Areva T&D India Limited | - | - | 7,500 | 2,279,346 |
| Arvind Mills Ltd. | 1,481 | 64,965 | 28,351 | 938,166 |
| Bank of Baroda | - | - | 700 | 446,689 |
| Bhandari Udyoyg Limited | 67,734 | - | 67,734 | - |
| Bharat Petroleum Corporation Ltd | 1,600 | 978,080 | - | - |
| Bharti Airtel Ltd | 1,000 | 324,385 | 2,800 | 828,623 |
| Bil Energy Systems Ltd | 4,780 | - | - | - |
| Bil Power Limited | - | - | 8,573 | 1,406,401 |
| Birla Power Solutions Ltd | 1 | - | - | - |
| Cairn India Ltd | 2,000 | 702,500 | - | - |
| Century Enka Limited | - | - | 5 | 1,371 |
| Century Textiles & Industries Ltd. | 5,000 | 1,750,250 | - | - |
| Chambal Fertilisers & Chemicals Ltd | 10,000 | 694,856 | - | - |
| DSQ Software Ltd. | 905 | - | 905 | - |
| Euro Ceramics Ltd | - | - | 2,307 | 103,566 |
| GHCL Limited | - | - | 2 | 83 |
| GIC Housing Finance Ltd. | 7,500 | 769,875 | - | - |
| Hariyana Ship Breakers Ltd | 6,000 | 163,620 | 6,000 | 163,620 |
| Hindustan Oil Exploration Co.Ltd. | 7,500 | 1,506,375 | - | - |
| Hindusthan Engineering And Ind. Ltd. | 222 | - | 222 | - |
| Il&Fs Transportation Networks Ltd | 3,500 | 821,800 | - | - |
| India Infoline Limited | - | - | 2,500 | 285,125 |
| Indian Hume Pipe Company Ltd. | 10,000 | 1,275,000 | 1,900 | 1,384,150 |
| Ispat Industries Limited | - | - | 373,500 | 7,167,444 |
| IVR Prime Urban Developers Ltd. | - | - | 1,032 | 177,738 |
| Jaiprakash Associates Ltd | 3,466 | 320,605 | - | - |
| Kesar Enterprises Ltd. | 1,500 | 70,650 | 1,500 | 98,440 |
| Kesar Terminals & Infrastructure Ltd | 1,050 | - | - | - |
| Kingfisher Airlines Ltd | 5,000 | 199,500 | - | - |
| Kirloskar Multimedia Limited | 34,600 | - | 34,600 | - |
| Kopran Limited | - | - | 10,001 | 236,150 |
| Lanco Industries Ltd | 10,000 | 389,000 | 19,140 | 1,001,022 |
| LIC Housing Finance Ltd | 2,500 | 478,024 | - | - |
| Lilac Power | 9,200 | - | 9,200 | - |
| Magnum Ventures Ltd. | 5,008 | 34,555 | 5,000 | 43,950 |
| Mahanagar Telephone Nigam Ltd | 54,998 | 2,499,659 | 51,832 | 3,794,102 |
| Malanpur Steel Limited | 778 | - | 778 | - |
| Mazda Ltd. | 200 | - | 200 | - |
| Mcleod Russel India Ltd | 2,400 | 604,937 | 2,400 | 649,800 |

| Particulars | As at 31.03.2011 | | As at 31.03.2010 | |
|---|---|---|---|---|
| | Qty (Nos.) | Amount (Rs.) | Qty (Nos.) | Amount (Rs.) |
| Monsanto India Ltd | 100 | 167,674 | 100 | 170,395 |
| Mudra Lifestyle Ltd. | 10,000 | 537,893 | - | - |
| Mundra Port Ltd. | - | - | 300 | 220,544 |
| Murli Industries Ltd. | 7,000 | 247,450 | - | - |
| National Flask Industries Ltd. | 3,000 | - | 3,000 | - |
| NHPC Ltd | 50,000 | 1,267,500 | 31,100 | 948,550 |
| NIIT Technologies Ltd | 2,635 | 486,553 | 1,473 | 250,778 |
| NRC LTD. | 2,000 | 11,080 | 2,000 | 20,300 |
| Padmini Technologies Ltd | 1,100 | - | 1,100 | - |
| Parasram Industries Ltd | 267 | - | 267 | - |
| Pipavav Shipyard Ltd | 2,791 | 84,790 | - | - |
| Piramal Healthcare Ltd. | 744 | 310,174 | - | - |
| Ravi Kumar Distilleries Ltd | 1,159,611 | 33,246,224 | - | - |
| Raymond Ltd. | 5,000 | 1,581,397 | 17,504 | 4,047,898 |
| Reliance Communications Ltd | - | - | 4,000 | 682,800 |
| Reliance Industries Ltd | 7,200 | 7,544,160 | - | - |
| Reliance Power Ltd. | 3,407 | 441,888 | 3,407 | 501,995 |
| Religlobe | - | - | 1,202 | 29,152 |
| Renuka Sugars Ltd | - | - | 5,000 | 356,500 |
| Rolta India Ltd | - | - | 12,600 | 2,258,550 |
| Shamken Spinners Ltd. | 6,000 | - | 6,000 | 6,360 |
| Shipping Corporation Of India Ltd | 20,667 | 2,229,969 | 12,398 | 1,831,860 |
| Shree Ashtavinayak Cine Vision Ltd. | 1,755,621 | 7,778,592 | - | - |
| Shree Renuka Sugars Ltd. | 200 | 13,920 | - | - |
| Sibar Software Services (India) Ltd. | 100 | - | 100 | - |
| SJVN Ltd | 220,007 | 4,397,462 | - | - |
| State Bank of India | - | - | 60 | 48,088 |
| Supreme Infrastructure India Ltd | - | - | 2,999 | 541,020 |
| Sutlej Textiles & Industries | 4,000 | 911,816 | 1,100 | 122,100 |
| Syncom Formulations [India] Ltd | 72,380 | 2,225,685 | - | - |
| Television Eighteen India Limited | - | - | 7,300 | 532,897 |
| V-Guard Industries Ltd. | 305 | 50,110 | - | - |
| Walchandnagar Industries Ltd. | 9,513 | 1,270,461 | 1,279 | 282,538 |
| **Total** | 3,633,821 | 791,23,474 | 826,697 | 38,800,002 |

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

**Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956**

**Balance Sheet Abstract and General Business Profile**

| **Particulars** | | **(Rs. In'000)** |
|---|---|---|
| **A.** | **Registration details** | |
| | State Code | 56 |
| | Registration no. | L65921DD1994PLC001678 |
| | Balance Sheet date | 31.03.2011 |
| **B.** | **Capital raised during the year** | |
| | Public Issue | — |
| | Rights Issue | 639876.16 |
| | Bonus Issue | — |
| | Private Placement | — |
| **C.** | **Position of mobilization and deployment of funds** | |
| | Total Liabilities | 891952 |
| | Total Assets | 891952 |
| | Sources of Funds | |
| | Paid-up Capital | 319938 |
| | Reserves and surplus | 561548 |
| | Deferred tax liabilities | 553 |
| | Secured loans | 8863 |
| | Application of Funds | |
| | Net fixed assets | 10922 |
| | Investments | 82527 |
| | Net current assets | 795766 |
| | Miscellaneous expenditure | 2738 |
| | Accumulated losses | — |
| **D.** | **Performance of the Company** | |
| | Turnover (including other income and Closing Stock) | 1260980 |
| | Total Expenditure (including Opening Stock) | 1242125 |
| | Profit before tax | 18854 |
| | Profit after tax | 15758 |
| | Earnings per share (in Re.) | 0.06 |
| | Dividend per share (in Re.) | 0.02 |
| **E.** | **Generic Names of Principal Products of the Company** | |
| Item code no. (ITC code) | | Not Applicable |
| Product description | | Not Applicable |

**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)

| | 2010-11 | | 2009-10 | |
|---|---|---|---|---|
| | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| **Liabilities Side:** | | | | |
| (1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid: overdue | | | | |
| (a) Debentures : Secured | | | | |
| Unsecured | | | | |
| (Other than falling within the meaning of public deposits) | | | | |
| (b) Deferred Credits | | | | |
| (c) Term Loans | | | | |
| (d) Inter-Corporate loans and borrowing | | | | |
| (e) Commercial Paper | | | | |
| (f) Public Deposits | | | | |
| (g) Other Loans | | | | |
| Bank Overdrafts | 88.64 | | 127.05 | |
| (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 | | | | |

| | 2010-11 | 2009-10 |
|---|---|---|
| **Assets Side:** | Amount outstanding | Amount outstanding |
| (3) Break-up of Loans and advances including bills | | |
| Receivables [other than those included in (4) below]: | | |
| (a) Secured | 3040.13 | 1159.54 |
| (b) Unsecured | 1196.44 | 221.72 |
| (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 | | |

| | 2010-11 | | 2009-10 | |
|---|---|---|---|---|
| | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| 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) Break-up of investment: (net of provision for diminution) | | | | |
| Current investment: | | | | |
| 1. Quoted: | | | | |
| i. Shares: (a) Equity | | 791.23 | | 388.0 |
| (b) Preference | | - | | - |
| ii. Debentures and Bonds | | - | | - |
| iii. Units of mutual funds | | - | | - |
| iv. Government Securities | | - | | - |
| v. Others | | | | |
| 2. Unquoted : | | | | |
| i. Shares: (a) Equity | | | | |
| (b) Preference | | | | |
| ii. Debentures and Bonds | | - | | - |
| iii. Units of mutual funds | | - | | - |
| iv. Government Securities | | | | |
| v. Others | | - | | - |
| Long Term Investment: | | | | |
| 1) Quoted: | | 225.01 | | 81.94 |
| i) Share: (a) Equity | | | | |
| (b) Preference | | | | |
| ii) Debentures and Bonds | | - | | - |
| iii) Units of mutual funds | | - | | - |
| iv) Government Securities | | - | | - |
| v) Others – Trade able Warrants | | - | | |
| 2) Unquoted: | | | | |
| i) Shares: (a) Equity | | 600.26 | | 297.76 |
| (b) Preference | | | | |
| ii) Debentures and Bonds | | - | | - |
| iii) Units of mutual funds | | - | | - |
| iii) Government Securities | | - | | - |
| v) Others—Application Money | | - | | - |
| Total | | 1616.50 | | 767.70 |

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

| | 2010-11 | | | 2009-10 | | |
|---|---|---|---|---|---|---|
| Secured | 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 parties3040.13 | 3040.13 | 1196.44 | 4236.57 | 1159.54 | 221.72 | 1381.26 |
| Total | 3040.13 | 1196.44 | 4236.57 | 1159.54 | 221.72 | 1381.26 |

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

| Category | 2010-2011 | | 2009-10 | |
|---|---|---|---|---|
| | Market value/ break upor fair value or NAV | Book value (Net of Provi-sons) | Market value/ break upor fair value or NAV | Book value (Net of Provi-sons) |
| 1. Related parties | | | | |
| a. Subsidiaries | - | - | - | - |
| b. Companies in the same group | 600.25 | 600.25 | 197.75 | 197.75 |
| c. Other related parties | - | - | - | - |
| 2. Other than related | 1040.99 | 1016.25 | 718.52 | 569.95 |
| Total | 1641.24 | 1616.50 | 916.27 | 767.70 |
| (8) Other information | | | | |
| i) Gross Non-Performing Assets | | | | |
| (a) Related parties | | | - | - |
| (b) Other than related parties | | | 37.73 | 105.29 |
| ii) Net Non-Performing Assets | | | | |
| (a) Related parties | | | 37.73 | 105.29 |
| Other than related parties | | | | |
| iii) Assets acquired in satisfaction of debt | | | - | - |

**For and on behalf of the Board**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **ANIL AGRAWAL** | **ANNU AGRAWAL** |
| Managing Director | Director |

**Sd/-**
**RAMA DEVI GUNDETI**
Company Secretary

## COMFORT INTECH LIMITED

**Registered Office :** 106, Avkar, Algani Nagar, Kalaria, Daman– 369 210 (U.T.)

## PROXY FORM

I/We ____________________________________ s/o, w/o, d/o ________________________________ residing at ____________________________________________________________________________ ______________________________________________________________ being member/member(s) of Comfort Intech Limited hereby appoint Mr./Mrs. ____________________________________________ residing at __________________________________________________________________________________ ______________________________________________________________________ or failing him/her Mr./Ms. ____________________________________residing at __________________________________ _____________________________________ as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Saturday, the 16th day of July, 2011 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.

Signed this __________ day of _________________ 2011.

Affix
Re. 1/-
Revenue
Stamp

Signature
(Please sign across the Stamp)

Note : 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– 369 210 (U.T.)

## ATTENDANCE SLIP

I hereby record my presence at the Seventeenth Annual General Meeting of the Company to be held on Saturday, the 16th day of July, 2011 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)*

# COMFORT INTECH LIMITED

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

**Corporate Office:** A-301, 3rd Floor, Hetal Arch, S. V. Road, Malad (West), Mumbai – 400 064.

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE**

(1) Name(s) of Shareholder(s) (including joint holders, if any) :

(2) Registered address of the sole/ first named shareholder :

(3) Registered folio No./DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form) :

(4) No. of Shares held :

(5) I / we hereby exercise my/our option to receive the documents such as Notice of Annual General Meeting, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Explanatory Statement etc., in electronic mode pursuant to the 'Green Intiative' by the Ministry of Corporate Affairs vide circular dated 29th April, 2011.

(6) **My email id is:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be made by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares are requested to fill this form and send the same to the Company OR Registrars to the Company i.e. Big Share Services Pvt. Ltd., to avail the option.

Place:

Date:

(Name and Signature of the Member

**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

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