

# COMFORT INTECH LIMITED

21st Annual Report 2014-15



BUILD YOUR FUTURE WITH COMFORT



#### BOARD OF DIRECTORS :

Mr. Anil Agrawal	- Chairman & Managing Director
Mr. Bharat Shiroya	- Whole Time Director
Mrs. Annu Agrawal	- Non Independent Director
Mr. Jugal Thacker	- Independent Director
Mr. Janak Mehta	- Independent Director
Mr. Anil Kumar Nevatia	- Independent Director

**CIN : L65921DD1994PLC001678**

#### STATUTORY AUDITORS :

M/s. Bansal Bansal & Co.,  
Chartered Accountants,  
120, Sanjay Building No. 6,  
Mittal Industrial Estate  
Andheri Kurla Road, Andheri East  
Mumbai – 400 059.

#### REGISTRARS & SHARE TRANSFER AGENTS :

Bigshare Services Private Limited  
E-2 & 3, Ansa Industrial Estate,  
Saki-Vihar Road, Sakinaka,  
Andheri (East), Mumbai –400 072.  
Phone No. : 022-28470652,  
Fax No. : 022-28475207  
Email id.: info@bigshareonline.com  
Website: www.bigshareonline.com

#### BANKERS :

Union Bank of India  
Punjab National Bank  
IDBI Bank

#### REGISTERED OFFICE:

106, Avkar, Alga Nagar,  
Kalaria, Daman– 369210 (U.T.)

**Email:** info@comfortintech.com

**Website:** www.comfortintech.com

#### CORPORATE OFFICE:

A-301, Hetal Arch,  
Opp. Natraj Market, S.V.Road,  
Malad West, Mumbai 400064.  
Tel: 91-22-28449765/66  
Fax: 91-22-28892527  
Email: info@comfortintech.com  
Website: www.comfortintech.com

#### COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs. Ramadevi Gundeti

#### Wholly Owned Subsidiary Company in UAE :

M/s. Finsolution Services FZE  
P.O. Box : 31291  
Al-Jazeera Al-Hamra  
RASAL Khaimah, U.A.E

Contents	Page Nos.
Notice	2
Directors' Report & Annexures	9
Report on Corporate Governance	29
Auditor's Report on Corporate Governance	39
CEO/ CFO Certification	40
Management Discussion & Analysis	41
Independent Auditor's Report	46
Balance Sheet	50
Profit and Loss Account	51
Cash Flow Statement	52
Significant Accounting Policies	54
Notes on Financial Statements	56
Consolidated Financial Statements	68
NBFC Schedule	80

#### TWENTY-FIRST ANNUAL GENERAL MEETING

<b>Day and Date</b>	Saturday, September 26, 2015
<b>Time</b>	4.30 P.M.
<b>Venue</b>	Cidade De Daman (Hotel Seaview Pvt. Ltd.) Devka Beach, Nani Daman 396210 (U.T.)

## NOTICE

**NOTICE** is hereby given that the TWENTY-FIRST ANNUAL GENERAL MEETING of **COMFORT INTECH LIMITED** will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman 396210 (U.T of Daman and Diu) on Saturday, 26<sup>th</sup> September 2015 at 4.30 P.M to transact the following business:

### ORDINARY BUSINESS:

1. To consider, approve and adopt
  - (a) the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2015 together with the Directors Report and Auditor's Report thereon; and
  - (b) the audited consolidated Financial statement of the Company for the financial year ended 31<sup>st</sup> March 2015
2. To declare the dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Annu Agrawal (DIN: 00014487) who retires by rotation at this AGM and being eligible, offers herself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time M/s. Bansal Bansal & Co., (Firm Registration No. 100986W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 2<sup>nd</sup> consecutive Annual General Meeting, subject to ratification by the shareholders at every Annual General meeting held after this Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196 and 197, Schedule V and other applicable provisions of the Companies Act, 2013, and based on the recommendation of Nomination & Remuneration Committee, approval of the Board of Director be and is hereby accorded to the revision in remuneration payable to Mr. Bharat Shiroya, (DIN: 00014454), Executive Director of the Company and subject to the approval of the members in forthcoming Annual General Meeting as given below:

  - (a) Salary: Rs. 12,00,000/- per annum.
  - (b) Other benefits as per the policy of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to vary, alter the scope of the remuneration as it may deem fit in the interest of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196 and 197, Schedule V and other applicable provisions of the Companies Act, 2013, and based on the recommendation of Nomination & Remuneration Committee, approval of the Board of Director be and is hereby accorded to the revision in remuneration payable to Mr. Anil Agrawal, (DIN: 00014413), Managing Director and subject to the approval of the members in forthcoming Annual General Meeting as given below:

  - (a) Salary Rs. 27,00,000/- per annum.
  - (b) Other benefits as per the policy of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to vary, alter the scope of the remuneration as it may deem fit in the interest of the Company."

**7. To keep Registers, Copies of Returns etc., at Corporate Office of the Company at Mumbai (i.e. at a place other than Registered Office)**

To consider and, if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 94(1) of the Companies Act, 2013 (“the Act”) and all other applicable provisions of the Act and relevant Rules applicable, if any, consent of the members of the Company be and is hereby accorded to keep the Register of Members and other registers/ records to be maintained under Section 88(1) of the Act and copies of the Annual Returns filed under Section 92 of the Act any other documents at the Corporate Office of the Company situated at A-301, Hetal Arch, S.V. Road, Opp. Natraj Mkt., Malad (West), Mumbai-400064 or at the office of Registrar and Share Transfer Agent at Mumbai. (i.e. place other than Registered Office).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Anil Agrawal, Managing Director and/or Mr. Bharat Shiroya, Whole Time Director be and are hereby severally authorized to intimate to the Registrar of Companies and to do all such acts, deeds and things which are necessary for the purpose of giving effect to this Resolution.”

**8. To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force ), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard.”

**By Order of the Board**

Place : Mumbai  
Dated : 08/08/2015

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

**Important Communique to Members- Green Initiative in Corporate Governance:**

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

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

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

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to 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 102(1) of the Companies Act, 2013 in respect of the Special business set out in the Notice is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2015 to 26.09.2015 (both the days inclusive.) for the purpose of AGM and Dividend.
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. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges in respect of the directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
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. Copies of Annual Report 2015 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
11. The notice of the 21<sup>st</sup> AGM and instructions for e-Voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants(s). Members holding shares in physical form shall submit their PAN details to the Company / RTA.
13. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company on the website of the Company ([www.comfortintech.com](http://www.comfortintech.com)) as also on the website of the Ministry of Corporate Affairs.
14. **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.

### 15. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) limited (CDSL). The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members.

#### The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence number (Refer serial no. printed on the name and the address sticker/postal ballot form/ mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- xi. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xi Click on the EVSN for the relevant Comfort Intech Ltd on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case of members receiving the physical copy:
- (A) Please follow all steps from sr. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 23.09.2015 at 9.00 A.M and ends on 25.09.2015 at 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **ANNEXURE TO THE NOTICE:**

### **STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Statement sets out the material facts relating to the Special business mentioned in the accompanying Notice:

#### **Item No. 4:**

Mr. Bharat Shiroya was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for 5 years in the meeting of the Board of Directors held on 4<sup>th</sup> August 2012.

Mr. Bharat N Shiroya 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 16 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 shall not be liable to retire by rotation. The approval of the members is being sought to the terms of Remuneration as revised at the board meeting held on 8<sup>th</sup> August 2015 as under:

(a) Salary: Rs 12,00,000/- per annum.

(b) Other benefits as per the policy of the Company.

In view of the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 4 of the accompanying Notice for the approval of the Members.

Mr. Bharat Shiroya is interested in the resolution as it relates to his terms of Remuneration.

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

#### **Item No. 5**

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

Mr. Anil B Agrawal is a Chartered Accountant. He has near about 30 years of experience in the field of finance, capital markets and related activities. He is one of the founder promoters and Managing Director & Chairman of our Company and presently involved in day to day affairs including future planning, finances control, man- management, and in strategic decision making of our Company.

Mr. Anil B Agrawal shall not be liable to retire by rotation.

The approval of the members is being sought to the terms of Remuneration as revised at the board meeting held on 8th August 2015 as under:

1 Salary Rs. 27,00,000 /- per annum.

2 Other benefits as per the policy of the Company.

In view of the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice 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 terms of Remuneration.

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

#### **Item No. 6**

Currently Company's Corporate Office is situated at Mumbai. To exercise better administrative and economic control which will reduce overheads, eliminate duplication of records and enable the Company to rationalize and streamline its operations as well as management of affairs of its business the Board recommends to keep the registers maintained under Section 88(1) of the Companies Act, 2013 ("the Act") [i.e. Register of Members etc.] and copies of the annual returns filed under Section 92 of the Act and any other documents of the Company at the Corporate Office at Mumbai or at office of Registrar and Share Transfer Agent at Mumbai. The Board therefore recommends the resolution as set out at Item No.6 for approval of the members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the said Resolution.

**Item No. 7**

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (Act).

The Act is now largely in force, on 12 September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for the implementation. Subsequently, on 26 March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction/confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act, which sets out the model Articles of Association for a Company Limited by Shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) The nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (b) New provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (c) new provisions relating to appointment of Chief Executive Officer and Chief Financial officer, in addition to Manager and Company Secretary;
- (d) Existing articles have been streamlined and aligned with the Act; and
- (e) the statutory provisions of the Act which permit a Company to do some acts if so authorized by its articles or provisions which require a Company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included. The proposed draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as shareholders of the Company.

The Board recommends passing of the Special Resolution set out in Item no. 7 of the Notice.

**By Order of the Board**

**Sd/-**

**RAMA DEVI GUNDETI**  
**Company Secretary**

Place : Mumbai  
Dated : 08/08/2015

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

**Details of Directors seeking appointment / re-appointment by the shareholders of the Company at the ensuing Annual General Meeting (In pursuance of Clause 49 of the listing agreement)**

<b>Name of Director</b>	<b>Mrs. Annu Agrawal</b>
Date of Birth	14/04/1967
Date of Appointment	16/08/2002
Nature of experience / Expertise	Graduate and has more than 11 years experience in the stock market
Shareholding in the Company	1,16,55,383 shares of Re. 1/- each constituting 3.64 % of the Paid up Equity Share Capital of the Company.

## DIRECTORS' REPORT

### To the Members of the Company,

Your Directors have pleasure in presenting the Twenty-First Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31<sup>st</sup> March 2015. The financial results of the Company are summarized below:

### FINANCIAL RESULTS:

(Rs. In Lacs)

PARTICULARS	STANDALONE YEAR ENDED 31 <sup>ST</sup> MARCH 2015	STANDALONE YEAR ENDED 31 <sup>ST</sup> MARCH 2014	CONSOLI- DATED YEAR ENDED 31 <sup>ST</sup> MARCH 2015	CONSOLI- DATED YEAR ENDED 31 <sup>ST</sup> MARCH 2014
<b>Total Revenue</b>	1408.46	1155.26	1425.74	1231.55
<b>Profit Before Depreciation and Taxes</b>	<b>594.68</b>	<b>(307.65)</b>	<b>553.69</b>	<b>(280.60)</b>
Less: Depreciation	17.64	10.51	17.64	10.51
Less : Provision for				
(a) Income Tax	25.66	32.86	25.66	32.86
(b) Deferred tax	(3.54)	(0.35)	(3.54)	(0.35)
Income Tax paid of earlier years	1.20	(0.41)	1.20	(0.41)
<b>Total Tax Expenses</b>	<b>23.32</b>	<b>32.00</b>	<b>23.32</b>	<b>32.00</b>
<b>Profit / (loss) for the Year</b>	<b>553.72</b>	<b>(350.26)</b>	<b>512.73</b>	<b>(323.22)</b>
Add: Brought forward from last year	21.68	371.95	141.10	464.56
Distributable Profits	575.39	21.68	653.84	141.10
<b>Appropriated as under:</b>				
Transfer to Special Reserve	110.74	--	110.74	--
Depreciation Adjustment	1.31	--	1.31	--
Proposed Equity Dividend	63.99	--	63.99	--
Tax on Distributed Profits	12.79	--	12.79	--
<b>Balance Carried Forward to Balance sheet</b>	<b>386.56</b>	<b>21.68</b>	<b>465.01</b>	<b>141.10</b>

### OPERATIONS:

During the year, the Operations of Your Company were satisfactory. Your Company is in the policy of giving short term loans based on scrutiny of paying capacity and risk involved.

During the year your Company has received an order from Reserve bank of India, Ahmedabad for the cancellation of certificate of Registration to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934 vide order dated September 24, 2014. Your Company has filed an appeal against the above said order with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.

### FINANCIAL HIGHLIGHTS:

#### Consolidated Revenues:

The total consolidated income of the Company for the FY 2014-15 comprises operating revenues of Rs. 1414.08 Lacs and other income of Rs. 11.66 lacs as compared to previous fiscal operating revenues of Rs. 1230.40 lacs and other income of Rs. 1.15 lacs.

#### Standalone Revenues:

During the fiscal 2015, the total income of the Company stood at Rs. 1408.46 Lacs as compared to previous fiscal of Rs. 1155.26 Lacs.

#### Consolidated Profits / (Loss):

Profit stood at Rs. 536.05 Lacs before tax and Profit after Tax stood at Rs. 512.73 Lacs as compared to previous fiscal Loss before Tax stood at Rs. (291.12) Lacs and Loss after Tax stood at Rs. (323.22) Lacs.

**Standalone Profits / (Loss):**

Profit stood at Rs. 577.04 Lacs before tax and Profit after tax stood at Rs. 553.72 Lacs for the fiscal 2015 as compared to the previous year Loss before tax Rs. (318.17) Lacs and after tax Rs. (350.26) Lacs.

Your Company has proposed a dividend of 2% i.e Rs. 0.02 paise per equity share amounting to Rs. 63,98,762/- for the accounting year ended 31st March 2015.

Your company already intimated you regarding Wholly Owned Subsidiary in the name of Finsolution Services FZE, in United Arab Emirates. During the fiscal 2015, the gross operational income of the subsidiary stood at AED 1.03 lacs and Operating Loss for the fiscal year 2015 stood at AED (2.46) lacs as compared to the previous year AED 4.91 lacs and profit AED 1.74 lacs.

The standalone net worth of your company at the year end stands at Rs. 9171.70 Lacs which translated to a book value of Rs. 2.87/- per share of face value of Re. 1/- each. The consolidated net worth of your company at the yearend stands at Rs. 9268.94 lacs which translated to a book value of Rs. 2.89/- per share of face value of Re. 1/- each. The Board has recommended a dividend of 2% i.e Rs. 0.02 paise per equity share amounting to Rs. 63,98,762/- (Rupees Sixty Three lacs Ninety Eight Thousand Seven Hundred and Sixty Two only) for the accounting year ended 31st March 2015.

**RESERVES:**

The Company has carried forward an amount of Rs. 1,10,74,313/- to Special Reserve

**DIVIDEND:**

Your directors propose a dividend of 2% of the paid up equity capital of the Company i.e Rs. 0.02 per equity share amounting to Rs. 63,98,762/- (Rupees Sixty Three lacs Ninety Eight Thousand Seven Hundred and Sixty Two only) for the accounting year ended 31st March 2015.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association, Mrs. Annu Agrawal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of listing agreement. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

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.

**(i) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Shareholders / Investors Relations and Grievance Committee. The Directors expressed their satisfaction with the evaluation process.

**(ii) Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization.

**(iii) Details of Board Meetings held**

During the year Six Board Meetings and one independent directors' meeting was held. The Details of the meetings and attendance thereof have been given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

**(iv) Constitution of Committees**

The Board has constituted an Audit Committee, Nomination & Remuneration Committee and a Shareholders / Investors Relations and Grievance Committee, the details of which have been mentioned in the Corporate Governance Report which is forming a part of the Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Clause (c) of subsection (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standard had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the accounts for the financial year ended 31st March, 2015 on a going concern basis.
5. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **AUDITORS:**

### **(i) Statutory Auditor**

The retiring auditors, namely M/s. Bansal Bansal & Co., Practicing 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 Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement. Members are requested to consider their reappointment.

### **(ii) Secretarial Auditor**

In terms of Section 204 of the Companies Act 2013 and Rules made there under, M/s. R M Mimani & Associates LLP, Practicing Company Secretaries have been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 3** to this report.

### **(iii) Internal Auditor**

M/S N. Kanodia & Co., Practicing Chartered Accountant performed the duties of internal auditors of the company for 2014-15 and their report is reviewed by the audit committee from time to time.

## **COMMENTS ON AUDITOR'S REPORT:**

### **Statutory Auditor:**

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

With respect to the various loans given to Liquors India Limited amounting to 1.70 Crores without seeking permission of the Reserve Bank of India (RBI), even after cancellation of NBFC Certificate, is due to the contractual agreement entered prior to the cancellation of the registration. Since the Contractual agreement was entered by your Company with Liquors India Limited was much before the order for cancellation of registration received by your Company and your Company had to adhere to the terms and conditions of the agreement in the normal course of Business and in continuation to the previous loans granted to Liquors India Limited and hence the loan was granted.

As regards exposure norms of RBI for a single borrower, the limit has exceeded for one of the Borrower. The said exposure is secured which is more than sufficient to cover the entire amount due from the borrower and the management is confident of realizing these dues.

Reserve Bank of India vide its order dated 24th September, 2014 has cancelled certificate of registration issued to the Company. Your Company has filed an appeal against the about said order with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi against the said RBI order. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.

### **Secretarial Auditor:**

Reserve Bank of India vide its order dated 24th September, 2014 has cancelled certificate of registration issued to the Company to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934.

Your Company has filed an appeal against the above said order with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority. Further regarding the First information report (FIR) filed by the Reserve Bank of India, Ahmedabad against the Company and its Directors under various section of IPC, the same is still under investigation.

With respect to an Ex-parte ad interim order dated December 19, 2014 passed by the Securities Exchange Board of India (SEBI) under section 11(1), 11(4) and 11B of the Securities Exchange Board of India Act, 1992 in the matter of First Financial Services Limited for not accessing the capital market, your Company filed a reply with SEBI in this regard.

On 24th February 2015, a hearing took place in SEBI. No final order has been passed by SEBI in this regard. However, your Company has filed an appeal with the Securities Appellate Tribunal on 23rd July, 2015 in this regard.

With respect to the various loans given to Liquors India Limited amounting to 1.70 Crores without seeking permission of the Reserve Bank of India (RBI), even after cancellation of NBFC Certificate, is due to the contractual agreement entered prior to the cancellation of the registration. Since the Contractual agreement was entered by your Company with Liquors India Limited was much before the order for cancellation of registration received by your Company and your Company had to adhere to the terms and conditions of the agreement in the normal course of Business and in continuation to the previous loans granted to Liquors India Limited and hence the loan was granted.

As regards exposure norms of RBI for a single borrower, the limit has exceeded of one of the Borrower. Also the said exposure is secured which is more than sufficient to cover the entire amount due from the borrower and the management is confident of realizing these dues.

As regards delay in filing of certain returns/ forms with the Registrar of Companies, these forms/returns have been filed by making the payment of the additional fee as prescribed by the law.

The Company is in process of formulating the certain policies as required under the Companies Act, 2013 and listing agreement and will finalize the same as and when the policies are mandatorily applicable to the Company.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.comfortintech.com/whistle\\_blower\\_policy.php](http://www.comfortintech.com/whistle_blower_policy.php).

#### **RELATED PARTY TRANSACTIONS:**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form **AOC 2** is enclosed as **Annexure 4**. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at [http://www.comfortintech.com/related\\_party\\_transaction\\_policy.php](http://www.comfortintech.com/related_party_transaction_policy.php).

#### **SUBSIDIARY COMPANY:**

Pursuant to sub-section (3) of section 129 of the Companies Act 2013, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as **Annexure 2**.

Further, during the year your company has taken initiation to close the Wholly Owned Subsidiary in Dubai. The matter is under process.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form **MGT 9** is annexed herewith as **Annexure 5**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees & Key Managerial Person of the Company and Directors is furnished hereunder:

Sr. No	Name of the Director/ KMP	Designation	Remuneration 2014-15	Remuneration 2013-14	Increase/ Decrease	Ratio/Times per median of employee remuneration
1	Mr. Anil Agrawal	Managing Director	21,18,333	14,25,000	+6,93,333	8.15
2	Mr. Bharat Shiroya	Whole time Director	13,01,458	9,25,167	+3,76,291	5.01
3	Mrs. Ramadevi Gundeti	Company Secretary	10,40,276	10,80,919	-40,643	4.00
4	Mr. Lalit Sethi**	Chief Financial Officer	9,62,591	Nil	+9,62,591	3.70

\*\* Mr. Lalit Sethi was appointed as the Chief Financial Officer of the Company w.e.f 14<sup>th</sup> February, 2015 and ceased w.e.f. 30th May, 2015.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

#### **BUSINESS RISK MANAGEMENT:**

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

#### **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits as on 31<sup>st</sup> March 2015 so as to attract the provisions of Chapter V of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended from time to time.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:**

The Management Discussion and Analysis for the year 2014-15 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 EMPLOYEES UNDER THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 BSE Limited. The company is regular in payment of listing fee. During the year, the Securities Exchange Board of India has given an exit order to the Jaipur Stock Exchange vide order dated March 23, 2015 where our Company's shares are listed.

#### **CASH FLOW STATEMENT:**

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 2013, the Cash flow Statement for the year ended 31.03.2015 is annexed here to as a part of the Financial Statements.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

Information in accordance regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the **Annexure 1**.

#### **POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

A policy On Sexual Harassment of Women at Workplace has been drafted and approved by the Board in its meeting held

on May 30, 2015. A committee namely Internal Control Committee has been construed for protection of women against Sexual Harassment at the workplace consisting of the following:

<b>Name of Member</b>	<b>Designation</b>
Mrs. Annu Agrawal	Chairman
Mrs. Ramadevi Gundeti	Member
Mrs. Apexa Kadam	Member

The Committee will look after the complaints received from the women employees and will also work for Safety of Women at workplace.

#### **SEBI ORDER**

Your Company has received an Ex-parte ad interim order dated December 19, 2014 passed by the Securities Exchange Board of India (SEBI) under section 11(1), 11(4) and 11B of the Securities Exchange Board of India Act, 1992 in the matter of First Financial Services Limited for not accessing the capital market. Your Company filed a reply with SEBI in this regard.

On 24<sup>th</sup> February 2015, a hearing took place in SEBI. No final order has been passed by SEBI in this regard. However, your Company has filed an appeal with the Securities Appellate Tribunal on 23<sup>rd</sup> July, 2015 in this regard.

#### **RBI ORDER**

Your Company has received an order from Reserve bank of India, Ahmedabad for the cancellation of certificate of Registration to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934 vide order dated September 24, 2014.

Your Company has filed an appeal against the above said order with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Companies Act 2013 read with Schedule VII to the Companies Act 2013 and other applicable provisions, every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee. Your Company has earned a profit of Rs 553.72 lacs (Standalone) for the year ended March 31, 2015 and accordingly provisions of Section 135 have now become applicable to your Company.

The Board has constituted a Corporate Management Committee to carry out the CSR Programme within specified budgets and timeframes. The Committee consists of the following Directors, namely:

<b>Name of Member</b>	<b>Designation</b>
Mr. Anil Agrawal	Chairman
Mrs. Annu Agrawal	Member
Mr. Bharat Shiroya	Member
Mr. Jugal Thacker	Member

The Corporate Social Responsibility Policy was considered and approved by the Board of Directors in their meeting held on 8<sup>th</sup> August, 2015.

#### **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, BSE 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.

Place: Mumbai

Dated: 08.08.2015

**FOR AND ON BEHALF OF THE BOARD**

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

### ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION : NA

TECHNOLOGY ABSORPTION : NA

FOREIGN EXCHANGE EARNINGS AND OUT GO:	Amount in Rs
Foreign exchange used	Nil
Foreign exchange earned	Nil

### ANNEXURE-2 TO DIRECTORS' REPORT PURSUANT TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013

Name of the subsidiary	Finsolution Services FZE (in AED)
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Dirham 1 AED= Rs. 17.0031 on 31/3/2015
3. Share capital	100,000
4. Reserves & surplus	571,322
5. Total assets	574,322
6. Total Liabilities	3,000
7. Investments	Nil
8. Turnover	102,515
9. Profit before taxation	(245,983)
10. Provision for taxation	Nil
11. Profit after taxation	(245,983)
12. Proposed Dividend	Nil
13. % of shareholding	100%

### ANNEXURE-3 TO DIRECTORS' REPORT:

#### SECRETARIAL AUDIT REPORT

#### Secretarial Audit Report for the financial year ended on March 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule made there-under]

To,

**The Members**

**Comfort Intech Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Comfort Intech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act, 2013) and the Rules made there-under;

- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable for Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. Law specifically applicable to the industry in which the Company belongs, as identified by the Management that is to say;
  - a. The Reserve Bank of India Act, 1934
  - b. Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non Banking Financial Company (NBFC)

We have also examined compliance with the applicable clause of the Listing Agreements entered into with the various Stock Exchanges where the securities of the Company are listed;

**Management Responsibility:**

- 1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- 2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
- 4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
- 5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**We report that;**

**During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following;**

- a. Reserve Bank of India vide its order dated September 24, 2014 has cancelled the certificate of registration issued to the Company to carry the business of NBFC for non- compliance of the certain provisions of the Act and rules made there-under.
- b. The Company has given loans amounting to Rs. 1.70 Crores on various dates to Liquor India Limited (A related party) without seeking permission from the Reserve Bank of India, under pre contractual commitment as informed by the Company.
- c. The Company has violated the RBI norms on loan exposure to a single entity during the financial year.
- d. Securities and Exchange Board of India (SEBI) vide its interim order dated December 19, 2014 passed under section 11 and 11 B has barred the Company and one of its promoters group from accessing the Stock Market.
- e. The Company has delayed the filing of certain returns/ forms with the Registrar of Companies. However these forms/ returns have been filed by making the payment of the additional fee as prescribed by the law.
- f. The Company is in process of formulating the certain policies as required under the Companies Act, 2013 and listing agreement.

**We further report that;**

- a. there was no action/event in pursuance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; or the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; or the Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008; or the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; requiring compliance thereof by the Company during the financial year and Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) were not applicable during the financial year.
- b. the compliance by the Company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

**We further report that;**

- a. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and composition of the Board of Directors is in compliance with the Provisions of the Act.
- b. adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance. Notices for the Board meeting held on 20/10/2014 and 20/12/2014 has been given shorter than seven days, however in these meeting Independent Director were present as required by the law.
- c. in view of the nonexistence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- d. as per the minutes of the meeting duly recorded and signed by the chairman, resolution have been approved by the majority of Directors. During the financial year no agenda item on which any of the Director dissented.

We further report that based on the information provided by the Company, its officers, agents and authorized representatives during the course of audit and also on the review of quarterly compliance reports of the respective department/unit heads/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion, adequate system, process and controls exists commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulation and guidelines.

**We further report that the Company during the financial year have the specific events/actions that can have major bearing on the company are as under:**

- a. Reserve Bank of India vide its order dated September 24, 2014 has cancelled the certificate of registration issued to the Company to carry the business of NBFC
- b. First information report (FIR) filed by the Reserve Bank of India, Ahmedabad against the Company and its Directors under various section of IPC.
- c. Securities and Exchange Board of India (SEBI) vide its interim order dated December 19, 2014 passed under section 11 and 11 B has barred the Company and one of its promoters group from accessing the Stock Market.

For **R M MIMANI & ASSOCIATES LLP**  
[COMPANY SECRETARIES]

Sd/-

**RANJANA MIMANI**

(PARTNER)

FCS No: 6271

CP No. : 4234

Place: Mumbai

Dated: July 27, 2015

**ANNEXURE 4 TO THE DIRECTOR'S REPORT**
**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There is no such transaction which is not on arm's length basis

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party	Liquors India Ltd.	Comfort Securities Ltd	Anil Agrawal HUF	Annu Agrawal	Anil Agrawal	Bharat Shiroya	Ankur Agrawal
Nature of relationship	Sister concern	Sister concern	Promoter group	KMP	KMP	KMP	Relatives of KMP
(b) Nature of contracts/ arrangements/transactions	Loan Given	Brokerage & Demat Charges	Rent Paid	Rent Paid	Remuneration	Remuneration	Remuneration
(c) Duration of the contracts / arrangements/ transactions	-	-	-	-			
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs 2,60,00,000	Rs. 6616	Rs. 4,80,000	Rs. 4,80,000	Rs. 21,18,333	Rs. 13,01,458	Rs. 12,96,774
(e) Date(s) of approval by the Board, if any:	02/08/2014	In the Normal Course of Business	In the Normal Course of Business	In the Normal Course of Business	02/08/2014	02/08/2014	In the Normal Course of Business
(f) Amount paid as advances, if any:	-	-	-	-	-	-	-

Place : Mumbai

Dated: 08/08/2015

Sd/-  
ANIL AGRAWAL  
Chairman & Managing Director

**Annexure 5 to Directors Report**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration )**  
**Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L65921DD1994PLC001678
ii	Registration Date	17/10/1994
iii	Name of the Company	COMFORT INTECH LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	106 Avkar Algani Nagar, Kalaria, Daman, 396210, Daman & Diu, Email: info@comfortintech.com website: www.comfortintech.com
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED. E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072 Phone No. : 022-28470652, Fax No. : 022-28475207 Email id.: info@bigshareonline.com Website: www.bigshareonline.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The Company has been in the business of providing financial services. However, Reserve Bank of India vide its order dated 24th September, 2014 has cancelled certificate of registration issued to the Company to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934.

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sr No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Finsolutions Services FZE	Wholly Owned Subsidiary	Subsidiary Company	100%	Section 2(87)
2	Comfort Securities Ltd.	U67120MH2002PLC136562	Associate Company	48.94	Section 2(6)
3	Lemonade Shares & Securities Pvt Ltd.	U67100MH2010PTC205455	Associate Company	46.81	Section 2(6)

# Comfort Intech Limited

Annual Report 2014 - 2015

IV	(i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)								
		No. of Shares held at the beginning of the year: 01/04/2014				No. of Shares held at the end of the year :31/03/2015			
C. Code	Category of Shareholder	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(IX)
(a)	<b>INDIVIDUAL / HUF</b>	14,969,625	-	14,969,625	4.68	16,384,056	-	16,384,056	5.12
(b)	<b>CENTRAL / STATE GOVERNMENT(S)</b>	-	-	-	-	-	-	-	-
(c)	<b>BODIES CORPORATE</b>	154,789,668	-	154,789,668	48.38	155,754,668	-	155,754,668	48.68
(d)	<b>FINANCIAL INSTITUTIONS / BANKS</b>	-	-	-	-	-	-	-	-
(e)	<b>ANY OTHERS (Specify)</b>								
(i)	DIRECTORS RELATIVES	-	-	-	-	-	-	-	-
(ii)	GROUP COMPANIES	-	-	-	-	-	-	-	-
(iii)	TRUSTS	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(1) :</b>	<b>169,759,293</b>	<b>-</b>	<b>169,759,293</b>	<b>53.06</b>	<b>172,138,724</b>	<b>-</b>	<b>172,138,724</b>	<b>53.80</b>
(a)	<b>INDIVIDUAL</b>								
		-	-	-	-	-	-	-	-
(b)	<b>BODIES CORPORATE</b>								
		-	-	-	-	-	-	-	-
(c)	<b>INSTITUTIONS</b>								
		-	-	-	-	-	-	-	-
(d)	<b>QUALIFIED FOREIGN INVESTOR</b>	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
(e)	<b>ANY OTHERS (Specify)</b>								
		-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total holding for promoters</b>								
	<b>(A)=(A)(1) + (A)(2)</b>	<b>169,759,293</b>	<b>-</b>	<b>169,759,293</b>	<b>53.06</b>	<b>172,138,724</b>	<b>-</b>	<b>172,138,724</b>	<b>53.80</b>
	<b>Total (A) + (B) :</b>	<b>169,759,293</b>	<b>-</b>	<b>169,759,293</b>	<b>53.06</b>	<b>172,138,724</b>	<b>-</b>	<b>172,138,724</b>	<b>53.80</b>
(a)	<b>MUTUAL FUNDS / UTI</b>								
		-	-	-	-	-	-	-	-
(b)	<b>FINANCIAL INSTITUTIONS / BANKS</b>								
		-	-	-	-	-	-	-	-
(c)	<b>CENTRAL / STATE GOVERNMENT(S)</b>								
		-	-	-	-	-	-	-	-
(d)	<b>VENTURE CAPITAL FUNDS</b>								
		-	-	-	-	-	-	-	-
(e)	<b>INSURANCE COMPANIES</b>								
		-	-	-	-	-	-	-	-
(f)	<b>FII'S</b>								
		-	-	-	-	-	-	-	-

(g)	FOREIGN VENTURE CAPITAL INVESTORS	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
(h)	QUALIFIED FOREIGN INVESTOR								
		-	-	-	-	-	-	-	-
(i)	ANY OTHERS (Specify)								
		-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)(1) :</b>	-	-	-	-	-	-	-	-
(a)	<b>BODIES CORPORATE</b>	24,158,724	8,000	24,166,724	7.55	22,270,606	8,000	22,278,606	6.96
(b)	<b>INDIVIDUAL</b>								
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	31,150,362	436,743	31,587,105	9.87	32,672,302	436,743	33,109,045	10.35
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	93,714,564	459,253	94,173,817	29.44	91,435,003	459,253	91,894,256	28.72
(c)	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
(d)	ANY OTHERS (Specify)								
(i)	TRUSTS	-	-	-	-	-	-	-	-
(ii)	CLEARING MEMBER	114,250	-	114,250	0.04	152,115	-	152,115	0.05
(iii)	DIRECTORS RELATIVES	-	-	-	-	-	-	-	-
(iv)	EMPLOYEE	-	-	-	-	-	-	-	-
(v)	NON RESIDENT INDIANS (NRI)	127,891	9,000	136,891	0.04	356,334	9,000	365,334	0.11
(vi)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-
(vii)	UNCLAIMED SUSPENSE ACCOUNT	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (B)(2) :</b>	<b>149,265,791</b>	<b>912,996</b>	<b>150,178,787</b>	<b>46.94</b>	<b>146,886,360</b>	<b>912,996</b>	<b>147,799,356</b>	<b>46.20</b>
	<b>Total Public Shareholding</b>								
	<b>(B)=(B)(1) + (B)(2)</b>	<b>149,265,791</b>	<b>912,996</b>	<b>150,178,787</b>	<b>46.94</b>	<b>146,886,360</b>	<b>912,996</b>	<b>147,799,356</b>	<b>46.20</b>
	<b>Total (A) + (B) :</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>
(a)	<b>SHARES HELD BY CUSTODIANS</b>								
		-	-	-	-	-	-	-	-
(i)	Promoter and Promoter Group	-	-	-	-	-	-	-	-
(ii)	Public	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (C)(1) :</b>	-	-	-	-	-	-	-	-
	<b>(C)=(C)(1)</b>	-	-	-	-	-	-	-	-
	<b>Total (A) + (B) :</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>
	<b>Grand Total (A) + (B) + (C)</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>	<b>319,025,084</b>	<b>912,996</b>	<b>319,938,080</b>	<b>100.00</b>

# Comfort Intech Limited

Annual Report 2014 - 2015

(ii) SHARE HOLDING OF PROMOTERS								
Sr. No	NAME	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	% Change in shareholding during the year
1	BHARAT NANUBHAI SHIROYA	5,210	0.00	0.00	5,210.00	0.00	0.00	0.00
2	BHARAT NANUBHAI SHIROYA	5,315	0.00	0.00	5,315.00	0.00	0.00	0.00
3	ANNU ANIL AGRAWAL	839,502	0.26	0.00	839,502.00	0.26	0.00	0.00
4	ANIL BENIPRASAD AGRAWAL	994,245	0.31	0.00	994,245.00	0.31	0.00	0.00
5	ANIL AGRAWAL HUF	2,309,472	0.72	0.00	3,723,903.00	1.16	0.00	0.44
6	AGRAWAL ANNU	10,815,881	3.38	0.00	10,815,881.00	3.38	0.00	0.00
7	LUHARUKA EXPORTS PVT LTD	33,609,208	10.50	0.00	33,609,208.00	10.50	0.00	0.00
8	LUHARUKA EXPORTS PRIVATE LIMITED	43,696,236	13.66	0.00	43,696,236.00	13.66	0.00	0.00
9	LUHARUKA INVESTMENT & CONSULTANTS PVT LTD	77,484,224	24.22	0.00	78,449,224.00	24.52	0.00	0.30
		<b>169,759,293</b>	<b>53.06</b>	<b>0.00</b>	<b>172,138,724.00</b>	<b>53.80</b>	<b>0.00</b>	<b>0.74</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING							
Sr. No	NAME	No. of Shares at the beginning/End of the year	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	LUHARUKA INVESTMENT & CONSULTANTS PVT LTD	77,484,224		77,484,224	Opening	77,484,224	24.22
			22/08/2014	465,000	Buy	77,949,224	24.36
			31/03/2015	500,000	Buy	78,449,224	24.52
		78,449,224	31/03/2015	78,449,224	Closing	78,449,224	24.52
2	ANIL AGRAWAL HUF	2,309,472		2,309,472	Opening	2,309,472	0.72
			22/08/2014	978,806	Buy	3,288,278	1.03
			05/09/2014	27,496	Buy	3,315,774	1.04
			12/09/2014	29,495	Buy	3,345,269	1.05
			30/09/2014	378,634	Buy	3,723,903	1.16
		3,723,903		3,723,903	Closing	3,723,903	1.16

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)							
Sr. No	NAME	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	ARCADIA SHARE & STOCK BROKERS PVT LTD	4,222,887	1-Apr-14	0	Transfer	4,222,887	1.32
			9-May-14	-1000	Transfer	4,221,887	1.32
			23-May-14	-40000	Transfer	4,181,887	1.31
			13-Jun-14	1500	Transfer	4,183,387	1.31
			20-Jun-14	9	Transfer	4,183,396	1.31
			30-Jun-14	-2165	Transfer	4,181,231	1.31
			4-Jul-14	231	Transfer	4,181,462	1.31
			11-Jul-14	6310	Transfer	4,187,772	1.31
			18-Jul-14	82105	Transfer	4,269,877	1.33
			25-Jul-14	55926	Transfer	4,325,803	1.35
			14-Aug-14	-115500	Transfer	4,210,303	1.32
			22-Aug-14	-140616	Transfer	4,069,687	1.27
			12-Sep-14	500	Transfer	4,070,187	1.27
			30-Sep-14	-1075750	Transfer	2,994,437	0.94
			10-Oct-14	-150000	Transfer	2,844,437	0.89
			5-Dec-14	400	Transfer	2,844,837	0.89
			12-Dec-14	2000	Transfer	2,846,837	0.89
			19-Dec-14	3600	Transfer	2,850,437	0.89
			9-Jan-15	900	Transfer	2,851,337	0.89
			6-Mar-15	5000	Transfer	2,856,337	0.89
			20-Mar-15	-1000	Transfer	2,855,337	0.89
		2,855,337	31-Mar-15	0	Transfer	2,855,337	0.89
2	COMFORT SECURITIES LTD	3,861,248	1-Apr-14	0	Transfer	3,861,248	1.21
			4-Apr-14	-22900	Transfer	3,838,348	1.20
			11-Apr-14	-9801	Transfer	3,828,547	1.20
			18-Apr-14	-17871	Transfer	3,810,676	1.19
			25-Apr-14	-7820	Transfer	3,802,856	1.19
			2-May-14	-11498	Transfer	3,791,358	1.19
			9-May-14	-3500	Transfer	3,787,858	1.18
			16-May-14	-15555	Transfer	3,772,303	1.18
			23-May-14	-52954	Transfer	3,719,349	1.16
			30-May-14	-8000	Transfer	3,711,349	1.16
			6-Jun-14	-50	Transfer	3,711,299	1.16
			13-Jun-14	-6741	Transfer	3,704,558	1.16
			20-Jun-14	-475	Transfer	3,704,083	1.16

			30-Jun-14	-2200	Transfer	3,701,883	1.16
			4-Jul-14	-750700	Transfer	2,951,183	0.92
			11-Jul-14	10000	Transfer	2,961,183	0.93
			18-Jul-14	-852	Transfer	2,960,331	0.93
			25-Jul-14	536400	Transfer	3,496,731	1.09
			1-Aug-14	120000	Transfer	3,616,731	1.13
			8-Aug-14	200000	Transfer	3,816,731	1.19
			14-Aug-14	775000	Transfer	4,591,731	1.44
			22-Aug-14	155088	Transfer	4,746,819	1.48
			29-Aug-14	142300	Transfer	4,889,119	1.53
			5-Sep-14	5000	Transfer	4,894,119	1.53
			19-Sep-14	-1500000	Transfer	3,394,119	1.06
			30-Sep-14	1706366	Transfer	5,100,485	1.59
			3-Oct-14	498300	Transfer	5,598,785	1.75
			10-Oct-14	376300	Transfer	5,975,085	1.87
			7-Nov-14	5000	Transfer	5,980,085	1.87
			14-Nov-14	202000	Transfer	6,182,085	1.93
			21-Nov-14	-455127	Transfer	5,726,958	1.79
			28-Nov-14	76000	Transfer	5,802,958	1.81
			5-Dec-14	99400	Transfer	5,902,358	1.84
			12-Dec-14	-63400	Transfer	5,838,958	1.83
			19-Dec-14	-25000	Transfer	5,813,958	1.82
			2-Jan-15	141000	Transfer	5,954,958	1.86
			23-Jan-15	-600000	Transfer	5,354,958	1.67
			20-Feb-15	-1000	Transfer	5,353,958	1.67
			31-Mar-15	-741000	Transfer	4,612,958	1.44
		4,612,958	31-Mar-15	0	Transfer	4,612,958	1.44
3	MUKUT BEHARI AGARWAL	3,073,519	1-Apr-14	0	Transfer	3,073,519	0.96
		3,073,519	31-Mar-15	0	Transfer	3,073,519	0.96
4	BRIJESH H MEHTA	4,629,000	1-Apr-14	0	Transfer	4,629,000	1.45
		4,629,000	31-Mar-15	0	Transfer	4,629,000	1.45
5	AMITKUMAR ARUNKUMAR KHARA	3,350,000	1-Apr-14	0	Transfer	3,350,000	1.05
		3,350,000	31-Mar-15	0	Transfer	3,350,000	1.05
6	MAYURKUMAR ARUNKUMAR KHARA	3,300,000	1-Apr-14	0	Transfer	3,300,000	1.03
		3,300,000	31-Mar-15	0	Transfer	3,300,000	1.03
7	ARUNKUMAR DALICHAND KHARA	3,350,000	1-Apr-14	0	Transfer	3,350,000	1.05
		3,350,000	31-Mar-15	0	Transfer	3,350,000	1.05

8	SUNITA AGARWAL	4,238,152	1-Apr-14	0	Transfer	4,238,152	1.32
			10-Oct-14	110710	Transfer	4,348,862	1.36
			24-Oct-14	2500	Transfer	4,351,362	1.36
			31-Oct-14	12033	Transfer	4,363,395	1.36
			31-Dec-14	-25000	Transfer	4,338,395	1.36
			9-Jan-15	-26784	Transfer	4,311,611	1.35
		4,311,611	31-Mar-15	0	Transfer	4,311,611	1.35
9	CHIRAG RAJNIKANT JARIWALA	3,567,784	1-Apr-14	0	Transfer	3,567,784	1.12
		3,567,784	31-Mar-15	0	Transfer	3,567,784	1.12
10	DARSHAN DOSHI	4,495,000	1-Apr-14	0	Transfer	4,495,000	1.41
		4,495,000	31-Mar-15	0	Transfer	4,495,000	1.41
11	JATIN H MEHTA	4,895,000	1-Apr-14	0	Transfer	4,895,000	1.53
		4,895,000	31-Mar-15	0	Transfer	4,895,000	1.53
12	BHAVESH PRAKASH PABARI	6,044,800	1-Apr-14	0	Transfer	6,044,800	1.89
			25-Jul-14	-2194500	Transfer	3,850,300	1.20
			8-Aug-14	-995488	Transfer	2,854,812	0.89
			14-Aug-14	-2852012	Transfer	2,800	0.00
		2,800	31-Mar-15	0	Transfer	2,800	0.00

#### V INDEBTEDNESS

##### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	138,596,511	-	-	138,596,511
ii) Interest due but not paid	-	-	-	NIL
iii) Interest accrued but not due	-	-	-	NIL
<b>Total (i+ii+iii)</b>	138,596,511	-	-	138,596,511
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	(-122,816,728)			(-122,816,728)
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15,779,783	-	-	15,779,783
ii) Interest due but not paid	-	-	-	NIL
iii) Interest accrued but not due	-	-	-	NIL
<b>Total (i+ii+iii)</b>	15,779,783	-	-	15,779,783

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A.	Remuneration to Managing Director, Whole time director and/or Manager:			
Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Mr. Anil Agrawal	Mr. Bharat Shiroya	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,118,333	1,301,458	3,419,791
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	NIL
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	NIL
2	Stock option	-	-	NIL
3	Sweat Equity	-	-	NIL
4	Commission -as % of profit -others (specify)	-	-	NIL
5	Others, please specify	-	-	NIL
	Total (A)	2,118,333	1,301,458	3,419,791
	Ceiling as per the Act	The above is within the limits as prescribed by the Act.		
B.	Remuneration to other directors:			
Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Anil Nevatia	Jugal Thacker	Janak Mehta
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c ) Others, please specify	-	-	-
	Total (1)			NIL
2	Other Non Executive Directors	Annu Agrawal		
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c ) Others, please specify.	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Cieling as per the Act.	No Remuneration is paid to any of the Directors other than Managing Director & Whole Time Director.		

B.	Remuneration to other directors:				
Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Anil Nevatia	Jugal Thacker	Janak Mehta	
	(a) Fee for attending board committee meetings	-	-	-	NIL
	(b) Commission	-	-	-	NIL
	(c ) Others, please specify	-	-	-	NIL
	Total (1)				NIL
2	Other Non Executive Directors	Annu Agrawal			
	(a) Fee for attending board committee meetings	-			NIL
	(b) Commission	-			NIL
	(c ) Others, please specify.	-			NIL
	Total (2)	-			NIL
	Total (B)=(1+2)	-			NIL
	Total Managerial Remuneration	Nil	Nil	Nil	
	Overall Cieling as per the Act.	No Remuneration is paid to any of the Directors other than Managing Director & Whole Time Director.			

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>				
<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>		
1	<b>Gross Salary</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
		<b>Ramadevi Gundeti</b>	<b>Lalit Sethi</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,040,276	962,591*	2,002,867
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	NIL
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	NIL
2	Stock Option	-	-	NIL
3	Sweat Equity	-	-	NIL
4	Commission - as % of profit - others, specify	-	-	NIL
5	Others, please specify	-	-	NIL
	<b>Total</b>	<b>1,040,276</b>	<b>962,591</b>	<b>2,002,867</b>
<b>* Mr. Lalit Sethi was appointed as the Chief Financial Officer of the Company w.e.f 14th February 2015.</b>				

**VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
<b>A. COMPANY</b>			None		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>			None		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>			None		
Penalty					
Punishment					
Compounding					

## REPORT ON CORPORATE GOVERNANCE

### OUR PHILOSOPHY ON CORPORATE GOVERNANCE

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 relationships 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 near about 20 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 define systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

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

**1. 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 its responsibilities and duties.

**COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31.03.2015:**

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 & Non Independent Director
Mr. Janak G Mehta.	-	Non-Executive Director & Independent
Mr. Jugal C Thacker	-	Non-Executive Director & Independent
Mr. Anil Kumar S Nevatia	-	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 8 companies and private companies that are not subsidiaries of a public company) of which they hold directorships in the company as on March 31, 2015 are given below

- I. Mr. Anil B Agrawal**, aged 53 years is the Chairman & Managing Director of our Company. He is a Chartered Accountant. He has near about 30 years of experience in the field of finance, capital markets and related activities. He is one of the founder promoters and Managing Director & Chairman of our Company and presently involved in day to day affairs including future planning, finances control, man- management, and in strategic decision making of our Company. He is also on the board of the trustees of Seth Govindaram Charitable Trust.

Mr. Anil B Agrawal is on the Board of the following other public companies as on March 31, 2015:

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

**Note:** Mr. Anil Agrawal was appointed as the Executive Director in Splash Media & Infra Limited on 24<sup>th</sup> June, 2015.

Mr. Anil B Agrawal held **994245** equity shares constituting 0.31% of the Paid up Capital in the Company as on March 31, 2015.

- II. Mr. Bharat N Shiroya** aged 45 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 17 years. He has experience in securities and financial services and responsible for our Company's dealings in shares and investment portfolio.

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

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

Mr. Bharat N Shiroya held **10525** equity shares in the Company as on March 31, 2015.

- III. Mrs. Annu Anil Agrawal**, aged 47 years is the director of our Company. She is a graduate and has more than 11 years experience in the stock market. She is on the board of the trustees of Seth Govindaram Charitable Trust.

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

- Comfort Securities Limited
- Comfort Fincap Limited
- Comfort Commotrade Limited

Mrs. Annu Agrawal held **11655383** equity shares constituting 3.64% of the paid up Capital in the Company as on March 31, 2015.

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

- IV. Mr. Jugal C Thacker**, aged 52 years is an Independent Director of our Company. He is qualified a Chartered Accountant and experienced 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
- Comfort Fincap Limited
- Comfort Commotrade Limited
- Liquors India Limited

Mr. Jugal C Thacker does not hold any equity shares in the Company as on March 31, 2015.

- V. Mr. Janak G Mehta** aged 48 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 31<sup>st</sup> March 2015

Mr. Janak G Mehta does not hold any equity shares in the Company as on March 31, 2015.

- VI. Mr. Anil Kumar S Nevatia** aged 52 years is an independent director of our Company. He is a B.com, Chartered Accountant and having more than 27 years of experience in the field of account, audit & income tax. Currently he is a proprietor of M/s A.K Nevatia & Associates, Chartered Accountants, Mumbai.

Mr. Anil Kumar S Nevatia is on the Board of the following other public companies:

- Comfort Fincap Limited
- Comfort Commotrade Limited

Mr. Anil Kumar S Nevatia does not hold any equity shares in the Company as on March 31, 2015.

#### **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 120 days.

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

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

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

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

The following information as enumerated in 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/Yearly results of operating divisions or business segments.

- Minutes of meetings of audit, nomination & remuneration and Shareholders / Investors Relations and Grievance Committees.
- Non compliance, if any of regulatory, statutory or listing requirements as well as investor services such as nonpayment of dividend and delays in share transfers.

During the year ended 31st March 2015, Six (6) Board Meetings, one Independent directors meeting were held on the following dates:

30<sup>th</sup> May 2014, 2<sup>nd</sup> August 2014, 20<sup>th</sup> October 2014, 15<sup>th</sup> November 2014, 20<sup>th</sup> December 2014 and 14<sup>th</sup> February 2015.

A meeting of the Independent Directors was held on 14<sup>th</sup> February 2015.

**C. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of directorships and chairmanships/memberships of committees i.e Audit Committee, Nomination & Remuneration Committee and Shareholders / Investors Relations And Grievance Committee of each Director as on 31<sup>st</sup> March, 2015 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	6	4	--
Mrs. Annu A Agrawal	Non Executive Promoter	6	No	4	2	--
Mr. Bharat N Shiroya	Executive & Non Independent	6	Yes	5	1	1
Mr. Janak G Mehta	Non Executive & Independent	6	No	1	2	1
Mr. Jugal C Thacker	Non Executive & Independent	4	No	5	1	3
Mr. Anil Kumar Nevatia	Non Executive & Independent	4	Yes	3	3	1

\* Excluding directorships in private, foreign companies and companies which are granted license under Section 8 of the Companies Act, 2013.

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

**D) Code of Conduct:**

The Code of Conduct, which has been formulated for the Board Members and Senior Members and Senior Management Personnel of the Company, is posted on the website of the Company, viz. [www.comfortintech.com](http://www.comfortintech.com).

**2. BOARD COMMITTEES:**

**The Board has constituted the following committees of Directors:**

- Audit Committee**
- Nomination & Remuneration Committee**
- Shareholders / Investors Relations and Grievance Committee**

**I. AUDIT COMMITTEE:**

**A. Composition:**

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

Names of Directors	Category	Designation
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 Promoter Director	Member

## B. Terms of reference:

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of Internal control systems.
- Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.
- Related Party Transactions
- Internal audit reports and adequacy of internal audit function

The Statutory Auditors are invitees to the Meetings of the Audit Committee

## C. Powers of Audit Committee:

The Audit Committee has the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- 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 31<sup>st</sup> March 2015 i.e. on 30<sup>th</sup> May 2014, 2<sup>th</sup> August 2014, 15<sup>th</sup> November 2014 and 14<sup>th</sup> February 2015.

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

## II. NOMINATION & REMUNERATION COMMITTEE:

### A. Composition and attendance :

The Nomination & 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 members of the Committee.

The Committee has met twice (2) time during the financial year ended 31<sup>st</sup> March 2015 i.e. on 2<sup>nd</sup> August 2014 and 14<sup>th</sup> February 2015

Name of the Member	Position	Category	Meeting attendance
Mr. Jugal C Thacker	Chairman	Independent & Non Executive Director	2
Mr. Janak Mehta	Member	Independent & Non Executive Director	2
Mrs. Annu Agrawal	Member	Non Independent & Non Executive Promoter Director	2

### B. Terms of Reference:

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

### C. Remuneration Policy:

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

**Details of Remuneration to the directors for the year:**

Name of Director	Remuneration paid during the year 2014-15
	Amount (in Rs.)
Anil B Agrawal	21,18,333/-
Bharat N Shiroya	13,01,458/-

**III. SHAREHOLDERS / INVESTORS RELATIONS AND 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 i.e on 30<sup>th</sup> May 2014, 2<sup>nd</sup> August 2014, 15<sup>th</sup> November 2014 and 14<sup>th</sup> February 2015.

The composition and attendance of shareholders / Investors Relations and Grievance Committee as on 31<sup>st</sup> March 2015 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 Relations and 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 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March 2015:**

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.

The total no.of complaints received and complied during the year were :

Opening : Nil

Complaints Received : Nil

Complied : Nil

Pending : Nil

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

The Outstanding complaints as on 31<sup>st</sup> March 2015 – Nil

**D. Compliance Officer:**

**Mrs. Ramadevi Gundeti**, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreement with the BSE Ltd.

### 3. GENERAL BODY MEETINGS:

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

##### Annual General Meetings :

YEAR	LOCATION	DATE	TIME	NATURE OF SPECIAL RESOLUTIONS IF ANY PASSED
2011-2012	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	1 <sup>st</sup> September 2012	4.30 P.M	Nil
2012-2013	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	31 <sup>st</sup> August 2013	4.30 P.M	Nil
2013-2014	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	20 <sup>th</sup> September, 2014	4.30 P.M	1. Increase in Borrowing limits of the Company

#### B. Postal Ballot:

There were no resolutions passed through postal ballot during Financial Year 2014-15.

#### C. Extraordinary General Meetings:

There were no Extraordinary General Meetings conducted during the Financial Year 2014-15.

### 4. OTHER DISCLOSURES:

- A. Disclosure on materially significant related party transactions i.e transactions of the Company of material nature with its Promoters, the directors or the managements their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:

##### Details are given elsewhere in this report

- B. There is 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 except as specified below:

- (a) The Company has received an Ex-parte ad interim order dated December 19, 2014 passed by the Securities Exchange Board of India (SEBI) under section 11(1), 11(4) and 11B of the Securities Exchange Board of India Act, 1992 in the matter of First Financial Services Limited for not accessing the capital market. Your Company filed a reply with SEBI in this regard.

On 24<sup>th</sup> February 2015, a hearing took place in SEBI. No final order has been passed by SEBI in this regard. However, your Company has filed an appeal with the Securities Appellate Tribunal on 23<sup>rd</sup> July, 2015 in this regard.

- (b) Company has received an order from Reserve bank of India, Ahmedabad for the cancellation of certificate of Registration to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934 vide order dated September 24, 2014.

Your Company has filed an appeal against the above said order with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.

#### C. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.comfortintech.com/whistle\\_blower\\_policy.php](http://www.comfortintech.com/whistle_blower_policy.php).

**5. MEANS OF COMMUNICATION:**

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

Financial Result	Un-Audited / Audited*	News Papers
First Quarter	Un-Audited	Free Press Gujarat and Lokmitra
Second Quarter	Un-Audited	Free Press Gujarat and Lokmitra
Third Quarter	Un-Audited	Free Press Gujarat and Lokmitra
Fourth Quarter/ Full year	Audited	Free Press Gujarat and Lokmitra

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

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

**B. Management Discussion and Analysis Report:**

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

**6. GENERAL SHAREHOLDER INFORMATION :**
**(i) Annual General Meeting**

Day, Date and Time: Saturday, 26<sup>th</sup> September, 2015 at 4.30 p m

Venue: Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman 396210 (U.T)

**(ii) Financial Calendar 2015-16 (Tentative)**

Results for the quarter ending 30<sup>th</sup> June 2015: Second week of August 2015

Results for the quarter ending 30<sup>th</sup> Sep, 2015: Second week of November 2015

Results for the quarter ending 31<sup>st</sup> Dec 2015: Second week of February 2016

Results for the year ending 31<sup>st</sup> March 2016: Last week of May 2016

(iii) **Book Closure Date** : 22-09-2015 to 26-09-2015

(Both the days inclusive)

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

(v) **Equity shares listed on** : BSE Limited.

**Stock Exchanges at**

**(vi) Stock Code**

Trading Symbol at : BSE Limited (Physical Segment)

531216 COMFINTE

Demat ISIN Number in : Equity Shares INE819A01023

NSDL & CDSL

**(vii) BSE Limited Stock Market Data (in Rs. / per share)**

Period	High (Rs.)	Low (Rs.)	Period	High (Rs.)	Low (Rs.)
April 2014	1.46	1.30	Oct 2014	1.15	0.84
May 2014	1.50	1.09	Nov 2014	1.83	0.82
June 2014	1.42	1.14	Dec 2014	2.96	1.25
July 2014	1.56	0.90	Jan 2015	1.91	1.26
Aug 2014	1.13	0.77	Feb 2015	1.66	1.21
Sep 2014	1.07	0.85	Mar 2015	1.55	0.94

**(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 TRANSFER SYSTEM**

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

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

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

**(x) DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH 2015.**

Range of Shareholding (Rs)	No. of Shareholders	% of Total	Share Amount Rs.	% of Total
1-5000	5046	76.4545	7114719	2.2238
5001-10000	583	8.8333	4698974	1.4687
10001-20000	366	5.5455	5435783	1.6990
20001-30000	144	2.1818	3667237	1.1462
30001-40000	85	1.2879	3044401	0.9516
40001-50000	55	0.8333	2624252	0.8202
50001-100000	121	1.8333	9243077	2.8890
100001 and above	200	3.0303	284109637	88.8014
<b>Total</b>	<b>6600</b>	<b>100.00</b>	<b>319938080</b>	<b>100.00</b>

**(xi) Shareholding Pattern (Category Wise) As On 31<sup>st</sup> March 2015:**

Category	No. of Shares	Percentage
Promoters	172,138,724	53.80
Mutual Funds / UTI & Banks	--	--
Bodies Corporate	22,278,606	6.96
Resident Individuals	125,003,301	39.07
NRIs / FIIs	365,334	0.11
Clearing Members	152,115	0.05
<b>Total :</b>	<b>319,938,080</b>	<b>100.00</b>

**(xii) List of the Top 10 Shareholders of the Company (Excluding Promoter group) as on 31<sup>st</sup> March 2015**

S. No.	Name of Shareholder	No. of Shares	Shares as % of total no. of shares
1.	Jatin H Mehta	4895000	1.53
2.	Brijesh H Mehta	4629000	1.45
3.	Darshan Doshi	4495000	1.41
4.	Sunita Agarwal	4311611	1.34
5.	Chirag Rajnikant Jariwala	3567784	1.12
6.	Amitkumar Arunkumar Khara	3350000	1.05
7.	Arunkumar Dalichand Khara	3350000	1.05
8.	Mayurkumar Arunkumar Khara	3300000	1.03
9.	Mukut Behari Agarwal	3073519	0.96
10.	Ram Manohar Singh HUF	2500000	0.78

**(xiii) DEMATERIALISATION OF SHARES:**

Approximately 99.71% of the Equity Shares have been dematerialized up to 31<sup>st</sup> March, 2015.

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

**(xiv) LIQUIDITY:**

Relevant data of the average daily working days turnover for the Financial Year 2014-2015 is given below:

**BSE Limited**

Shares (in Lacs) : 1.49

Amount (in Rs. Lacs) : 2.07

**(xv) GDRs/ADRs/Warrants etc.,**

The Company did not issue any GDRs/ADRs/Warrants or any convertible instruments.

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

**BIGSHARE SERVICES PVT. LTD.**

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

**Any query on Annual Report:**

**COMFORT INTECH LTD.**

A-301, Hetal Arch  
Opp. Natraj Market,  
S.V.Road, Malad (W),  
Mumbai 400 064

Other Mandatory requirements are not applicable to the Company.

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members,

**COMFORT INTECH LTD.**

We have examined the compliance of conditions of Corporate Governance by **Comfort Intech Ltd** for the year ended on 31<sup>st</sup> March, 2015, 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 Shareholders / Investors Relations and 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

FR No. 100986W

Sd/-

**JATIN BANSAL**

Partner

M. No. 135399

Place: Mumbai

Dated: 08.08.2015

## **CEO/CFO CERTIFICATION**

To  
The Board of Directors  
**COMFORT INTECH LTD**  
Mumbai

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2015 and to the best of our knowledge and belief that:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii. No transactions entered into by the Company during the above said period which are fraudulent, illegal or volatile of the company's code of conduct.

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

We have indicated to the Auditors and the Audit Committee that:

- iv. Significant changes in internal control over financial reporting during the year;
- v. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
- vi. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Place: Mumbai  
Date : 08.08.2015

## 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 specialization. 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 unorganized sector and to small borrowers at the local level in response to local requirements is well recognized. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection.

NBFCs' niche positioning, good market knowledge and large customer outreach (will) continue to support their access to customers. Further, the Reserve Bank's regulations permitting non-deposit accepting NBFCs to act as business correspondents could enhance NBFCs' position as a conduit for banks to meet priority sector lending requirements and support the non-interest income of NBFCs.

The RBI and the Government have taken notable steps to address the economic headwinds. The Government has already formed the Project Management Group to facilitate large projects, undertook actions on power tariffs, gas price and continued diesel price increases. The RBI has taken several steps to resolve the Non Performing Asset (NPA) issue including guidelines on 'Early recognition of Financial Distress, Prompt steps for resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy'.

The total number of NBFCs accepting deposits as on **June 30, 2015** is approx 218 and NBFCs not accepting deposits is 11,582. (Source: [https://rbi.org.in/SCRIPTS/BS\\_NBFCList.aspx](https://rbi.org.in/SCRIPTS/BS_NBFCList.aspx))

### Overview of the NBFC Sector:

The NBFC sector has been gaining systemic importance in the recent years and the share of NBFC has steadily grown from 10.7% of banking assets in 2009 to 14.3% of banking assets in 2014.

NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, and deeper penetration in the rural and unbanked markets. The growing asset size of the NBFC sector has increased the need for risk management in the sector due to growing interconnectedness of NBFCs with other financial sector intermediaries. The Reserve Bank of India (RBI) has been in the recent past trying to strengthen the risk management framework in the sector, simplify the regulations and plug regulatory gaps so as to prevent regulatory arbitrage between banks and NBFCs.

Due to subdued economic growth, last two years, have been challenging period for the NBFCs with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalization levels and conservative liquidity management, continues to provide comfort to the credit profile of NBFCs in



spite of impact on profitability.

The cyclical stress on asset quality and profitability of NBFCs is covered by strong capital adequacy, secured lending and lower ALM risk. With increased importance of NBFC sector Structural support expected from regulator is higher. RBI regulations are in line with its desire to strengthen financial system and reduce the regulatory arbitrage between banks and NBFCs. Accordingly, the new regulatory framework will lead to strengthening of NBFCs balance sheet, with increase in loss absorbing Tier I capital requirement for systemically important NBFCs and deposit accepting NBFCs and restricting leverage for smaller NBFCs in line with higher core Tier I requirement for Banks under Basel III guidelines. On NPA recognition norms and provisioning on standard assets also, banks and NBFC will be at par. The increase in disclosure requirement and corporate governance norms will improve the transparency and increase the accountability of management and the board and improve the investor awareness.

## **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.

The Reserve Bank of India (RBI) on 10th November 2014 issued the revised Regulatory Framework for Nonbanking Finance Companies (NBFCs), with an objective to streamline the regulations for the sector. The highlights of the revised regulatory framework are as follows:

- Minimum net owned fund (NoF) of INR 2 Crores for all NBFCs
- The limit for acceptance of deposits across the NBFC sector has been harmonised by reducing the same for rated asset finance companies(AFC) from four times to 1.5 times of NOF, with immediate effect.
- Revision in the threshold limits for defining systemic significance for Non-Deposit taking NBFCs.
- Enhanced prudential regulations viz. Fair Practices Code (FPC), Know Your Customer (KYC) norms should be made applicable to NBFCs wherever public funds are accepted and conduct of business regulations will be made applicable wherever customer interface is involved.
- The framework has harmonized the asset classification criteria norms in respect of NBFC-ND-SI and NBFC – D, and have aligned it in a phased manner.
- Increase in Provisioning norms for standard assets in a phased manner

### **(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. However, RBI Ahmedabad vide order dated September 24, 2014 has cancelled the NBFC Registration Certificate. Comfort Intech Limited has filed an appeal with Appellate Authority, New Delhi against the said RBI Order. The hearing took place on 20th March, 2015 and the order is awaited from the Appellate Authority. 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.

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

##### **Products & Services:**

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

- ✓ Trade Finance & Bill Discounting
- ✓ Working capital loans
- ✓ Loan against property
- ✓ Margin funding and loan against approved securities

#### **FINANCIAL PERFORMANCE:**

##### **Consolidated Revenues:**

The total consolidated income of the Company for the FY 2014-15 comprises operating revenues of Rs. 1414.08 Lacs and other income of Rs. 11.66 lacs as compared to previous fiscal operating revenues of Rs. 1230.40 lacs and other income of Rs. 1.15 lacs.

##### **Standalone Revenues:**

During the fiscal 2015, the total income of the Company stood at Rs. 1408.46 Lacs as compared to previous fiscal of Rs. 1155.26 Lacs.

##### **Consolidated Profits / (Loss):**

Profit stood at Rs. 536.05 Lacs before tax and Profit after Tax stood at Rs. 512.73 Lacs as compared to previous fiscal Loss before Tax stood at Rs. (291.12) Lacs and Loss after Tax stood at Rs. (323.22) Lacs.

##### **Standalone Profits / (Loss):**

Profit stood at Rs. 577.04 Lacs before tax and Profit after tax stood at Rs. 553.72 Lacs for the fiscal 2015 as compared to the previous year Loss before tax Rs. (318.17) Lacs and after tax Rs. (350.26) Lacs.

Your Company has proposed a dividend of 2% i.e Rs. 0.02 paise per equity share amounting to Rs. 63,98,762/- for the accounting year ended 31st March 2015.

Your company already intimated you regarding Wholly Owned Subsidiary in the name of Finsolution Services FZE, in United Arab Emirates. During the fiscal 2015, the gross operational income of the subsidiary stood at AED 1.03 lacs and Operating Loss for the fiscal year 2015 stood at AED (2.46) lacs as compared to the previous year AED 4.91 lacs and profit AED 1.74 lacs.

The standalone net worth of your company at the year end stands at Rs. 9171.70 Lacs which translated to a book value of Rs. 2.87/- per share of face value of Re. 1/- each. The consolidated net worth of your company at the yearend stands at Rs. 9268.94 lacs which translated to a book value of Rs. 2.89/- per share of face value of Re. 1/- each. The Board has recommended a dividend of 2% i.e Rs. 0.02 paise per equity share amounting to Rs. 63,98,762/- (Rupees Sixty Three lacs Ninety Eight Thousand Seven Hundred and Sixty Two only) for the accounting year ended 31st March 2015.

### Financial Highlights:

- Income from operation stood at Rs. 1396.81 Lacs for fiscal 2015
- Profit Before Taxes of fiscal 2015 was Rs. 577.04 Lacs.
- Profit After Taxes of fiscal 2015 was Rs. 553.72 Lacs
- Basic Earnings per share for fiscal 2015 was Rs. 0.17 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at Rs. 894.50 Lacs as on March 31, 2015
- Net Worth of company stood at Rs. 9171.70 Lacs as on March 31, 2015
- A dividend of 2% on the paid up capital of the Company i.e Rs. 0.02 paise per equity share amounting to Rs. 63,98,762/- (Rs. Sixty Three lacs Ninety Eight Thousand Seven hundred Sixty Two) for the accounting year ended 31st March 2015 has been recommended by the Board.

### 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 near about 30 years of experience in financial services. The board of our Company comprises of qualified professionals, experienced in the industry.
- **Existing profit making & dividend paying company:** Our Company is an existing Profit making and paying dividend continuously for the previous seven years except in the previous year due to provisional loss during the previous year.
- **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 near to 4000 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 from 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 from bank. Our Company is planning to foray into business of financial management/advisory services with the potential clients.
- **Differentiated Services:** - In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.
- **Brand recognition:** We are in such a business where we are facing lot of competition. We are planning to put more efforts to build Comfort as a well known brand. Despite our existing contacts & listing on esteemed Exchange (BSE), our Company is not a well established brand among large NBFC players. We will be making the necessary arrangements for our brand reorganization.

#### **REGULATORY:**

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

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

Apart from this your Company total assets size has not increased to more than 500 Crores and your company is no more systematically important company for complying various compliances with RBI.

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.

However, Your Company has received an order from Reserve bank of India, Ahmedabad for the cancellation of certificate of Registration to carry on the business of Non-Banking Financial Institution under section 45-IA(6) of the Reserve Bank of India Act, 1934 vide order dated September 24, 2014.

The Company has filed an appeal against the same with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi against the said RBI order. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.

#### **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 nonperforming assets of the company and to indicate corrective action for effecting recoveries.

M/S N. Kanodia & Co., Practicing Chartered Accountant performed the duties of internal auditors of the company for the year 2014-15 and their report is reviewed by the audit committee and noted by the Board Committee from time to time.

#### **CAUTIONARY:**

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

## Independent Auditor's Report

To the Members of

**Comfort Intech Limited.**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Comfort Intech Limited**. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Company (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

### Basis for Qualified Opinion

1. *Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.*  
*As stated in Note 1 (I) of Significant Accounting Policies followed by the company the Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.*
2. *Reserve Bank of India vide its order dated 24<sup>th</sup> September, 2014 has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has given various loans on various dates during the period from 25/11/2014 to 31/03/2015 amounting to Rs. 1.70 crores to M/s Liquors India Ltd. (A Related Party) without seeking any permission from Reserve Bank of India. According to the company the same was on the basis of a contractual commitment entered into by the company prior to the intimation of cancellation of its certificate of registration.*

### Qualified Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015; and
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw your attention to :

- 1) There was a violation of RBI Guidelines on exposure norms in the case of one borrower where the exposure was Rs.37.34 Crores as on 31<sup>st</sup> March 2015. The owned fund of the company as on 31<sup>st</sup> March 2014 stood at Rs.86.90 crores. Therefore the single and group exposure limits of 15% and 25% worked out to Rs.13.04 crore and Rs.21.72 crore.
- 2) Reserve Bank of India vide its order dated 24<sup>th</sup> September, 2014 has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has filed an appeal before the appellate authority for non banking finance company, Government of India against the above cancellation order.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) *Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards Section 133 of the Companies Act, 2013, With Rule 7 of Companies (Accounts) Rules, 2014;*
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause of Section 164(2) of the Companies Act, 2013;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. *There are pending litigations against the company but the impact of such litigation on the financial position of the company is indeterminate.*
    - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bansal Bansal & Co.**

Chartered Accountants

FRN: 100986W

Sd/-

**Sanjay Bansal**

**Partner**

Membership No.:104824

Place : Mumbai

Date : 30<sup>th</sup> May, 2015

### Annexure to Independent Auditor's Report

The annexure referred to in our report to the member of Comfort Intech Limited for the year ended 31<sup>st</sup> March 2015, we report that :

1. In respect of its Fixed Assets :
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories:
  - (a) the stock in trade of shares and securities held in the physical format has been physically verified and those held in dematerialized format have been verified from the relevant statements received from the depositories during the year, by the management. Also the stock of properties acquired in satisfaction of claims have been physically verified during the year by the management.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of shares, securities and stock of properties acquired in satisfaction of claims followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of shares, securities and stock of properties acquired in satisfaction of claims by the management as compared to book records.
3. According to information and explanation given to us, the company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act.
  - (a) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrower have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the order is not applicable to the company in respect of repayment of the principle amount.
  - (b) There are no overdue amounts of more than Rs. 1 lakh in respect of loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The company has not accepted any deposits from the public.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular though there are slight delays in depositing the undisputed statutory dues including provident fund, investor education & protection fund , employees' state insurance , Income Tax , wealth tax, custom duty, duty of excise, Value added tax, cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Income Tax, Sales Tax, Wealth Tax, Service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues payable in respect of income tax, wealth tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) As explain to us, the company does not any dues on account of investor education and protection fund
8. The Company does not have accumulated losses, hence our comments as regards erosion of net worth of the company are not applicable.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any bank.
10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
11. The company has not raised any term loans.
12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Sd/-

**Sanjay Bansal**  
**Partner**

Membership No.:104824

Place : Mumbai  
Date : 30<sup>th</sup> May, 2015

**BALANCE SHEET AS AT MARCH 31, 2015**

(Amount in INR)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I Equity &amp; Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	319,954,810	319,954,810
(b) Reserves and Surplus	3	597,215,170	549,652,627
(c) Money received against share warrants		-	-
		<b>917,169,980</b>	<b>869,607,437</b>
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non - Current Liabilities</b>			
(a) Long -Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	4	317,114	670,784
(c) Other Long - Term Liabilities		-	-
(d) Long - Term Provisions		-	-
		<b>317,114</b>	<b>670,784</b>
<b>4. Current Liabilities</b>			
(a) Short - Term Borrowings	5	15,779,783	138,596,511
(b) Trade Payables	6	675,000	121,500
(c) Other Current Liabilities	7	4,657,919	11,021,181
(d) Short - Term Provisions	8	15,442,591	49,863,370
		<b>36,555,292</b>	<b>199,602,562</b>
<b>TOTAL</b>		<b>954,042,386</b>	<b>1,069,880,783</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		6,467,742	8,298,218
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non - Current Investments	10	170,578,243	162,819,807
(c) Long - Term Loans and Advances	11	10,000,000	31,798,134
(d) Other Non - Current Assets	12	-	613,642
		<b>187,045,985</b>	<b>203,529,801</b>
<b>2. Current Assets</b>			
(a) Inventories	13	112,047,757	79,732,391
(b) Trade Receivables	14	533,389	1,712,861
(c) Cash and Bank Balances	15	89,449,922	126,421,311
(d) Short - Term Loans and Advances	16	558,923,136	657,204,983
(e) Other Current Assets	17	6,042,198	1,279,434
		<b>766,996,401</b>	<b>866,350,981</b>
<b>TOTAL</b>		<b>954,042,386</b>	<b>1,069,880,783</b>
Significant Accounting Policies	1		

As per our report of even date

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I Revenue from Operations	18	139,680,570	115,411,211
II Other Income	19	<u>1,165,766</u>	<u>114,785</u>
III <b>Total Revenue (I + II)</b>		<b>140,846,336</b>	<b>115,525,996</b>
IV <b>Expenses</b>			
Purchases	20	49,952,573	12,460,303
Changes in Inventories of Stock-in-trade	21	(32,315,366)	35,165,776
Employee Benefits Expenses	22	11,146,253	7,660,359
Finance Costs	23	5,650,089	23,446,953
Depreciation and Amortization Expense	9	1,763,902	1,051,195
Other Expenses	24	<u>46,945,319</u>	<u>67,558,003</u>
Total Expenses		<u><b>83,142,770</b></u>	<u><b>147,342,589</b></u>
V <b>Profit before Tax (III-IV)</b>		<u><b>57,703,566</b></u>	<u><b>(31,816,592)</b></u>
VI Exceptional Items		-	-
VII <b>Profit before Extraordinary Items and Tax (V-VI)</b>		<u><b>57,703,566</b></u>	<u><b>(31,816,592)</b></u>
VIII Extraordinary Items		-	-
IX <b>Profit Before Tax (VII-VIII)</b>		<u><b>57,703,566</b></u>	<u><b>(31,816,592)</b></u>
X <b>Tax Expense:</b>			
(a) Current Tax		2,566,100	3,286,000
(b) Deferred Tax		(353,670)	(35,122)
(c) Income Tax of Earlier years written off (Back)		119,570	(40,516)
		<u><b>2,332,000</b></u>	<u><b>3,210,363</b></u>
XI <b>Profit for the Period from Continuing Operations (IX - X)</b>		<u><u><b>55,371,566</b></u></u>	<u><u><b>(35,026,955)</b></u></u>
XII Profit/(Loss) for the Period from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV <b>Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b>		-	-
XV <b>Profit for the Period (XI + XIV)</b>		<u><u><b>55,371,566</b></u></u>	<u><u><b>(35,026,955)</b></u></u>
XVI <b>Earnings Per Equity Share (Face Value Rs. 1/- Per Share):</b>	25		
Basic & Diluted (Rs.)		<b>0.17</b>	-
<b>Significant Accounting Policies</b>	1		

As per our report of even date

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in INR)

	Year ended 31st March, 2015	Year ended 31st March, 2014	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax for the year	57,703,566		(31,816,592)
<b>Adjustments for :</b>			
Interest Paid	5,650,089	23,446,953	
Depreciation	1,763,902	1,051,195	
Provision for Advances	(41,379,230)	41,898,400	
Baddebts Written Off	28,122,863	11,960,800	
Rent Received	(5,426,200)	(1,603,500)	
Misc. Expenses w/off	613,641	644,269	77,398,117
<b>Operating Profit before Working Capital change</b>	47,048,632		45,581,525
<b>Adjustments for :</b>			
<u>Adjustments for (increase) / decrease in operating assets:</u>			
Inventories	(32,315,366)	35,165,776	
Trade receivables	1,179,473	(1,434,882)	
Short-term loans and advances	70,300,616	3,062,002	
Long-term loans and advances	21,798,134	72,657,456	
Other current assets	(4,762,764)	1,900,723	
Other non-current assets	-	-	111,351,074
<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
Trade payables	553,500	76,500	
Other current liabilities	(6,363,262)	8,817,744	
Other long-term liabilities	-	-	
Short-term provisions	-	-	
Long-term provisions	-	(5,809,762)	8,894,244
Cash Generated From Operations	97,438,963		165,826,843
Income Tax paid	3,547,202		7,726,011
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>93,891,762</b>		<b>158,100,831</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments (Purchased)/Sold	(7,758,436)	(63,993,764)	
Fixed Assets (Purchased)/Sold	(64,099)	(197,550)	
Rent Received	5,426,200	1,603,500	
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>(2,396,335)</b>		<b>(62,587,814)</b>

## CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issuance of Equity Capital	-	-
Dividend Paid (including Dividend Tax)	-	(7,486,232)
Loan taken / (Repaid) in Secured Loan	(122,816,728)	(48,592,999)
Interest paid	(5,650,089)	(23,446,953)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>(128,466,817)</b>	<b>(79,526,183)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>	<b>(36,971,390)</b>	<b>15,986,834</b>
Cash and Cash Equivalents -- Opening Balance	126,421,312	110,434,478
Cash and Cash Equivalents -- Closing Balance	89,449,922	126,421,312
	(0)	0

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

As per our report of even date attached

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****NOTE – '1'****SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of Preparation:**

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

**B. Use of Estimates**

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

**C. Accounting of Income/Expenditure**

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

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

**D. Investments:**

Investments in Shares / Mutual Funds are stated at cost.

**E. Stock in Trade:**

i) Closing stock in case of quoted shares has been valued at cost or market value whichever is lower. Wherever quotations are not available as on 31 March 2015, inventory has been valued at last traded price or at cost whichever is lower. Wherever quotations are not available due to scrip has been suspended / delisted for a considerable period of time by stock exchanges has been valued at nil rate.

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

**F. Fixed Assets/Depreciation**

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

ii) Depreciation on fixed assets is provided as per part "C" of Schedule II of the Companies Act, 2013.

iii) Pursuant to applicability of the Companies Act, 2013 with effect from 01<sup>st</sup> April, 2014, the company has reassessed the useful life of the assets based on technical evaluation. Consequently an amount of Rs.130,673/- has been recognized in the opening balance of Surplus in the Profit & Loss Account where the remaining useful life of the asset is exhausted.

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

**G. Taxation:**

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

**H. Foreign Exchange Transactions:**

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

Foreign currency monetary 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

expenses as the case may be.

I. **Retirement Benefits :**

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

J. **Impairment of assets**

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

K. **Earnings per share**

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

L. **Preliminary Expenses**

Preliminary expenses are amortised over a period of five years.

M. **Contingent Liability**

Contingent Liability are disclosed unless the possibility of outflow of resources is remote.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 2 - Share Capital

		(Amount in INR)	
	Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorised :</b>			
	40,00,00,000 Equity Shares (Previous Year	400,000,000	400,000,000
	40,00,00,000) of Rs. 1/- each		
	<b>TOTAL</b>	<b>400,000,000</b>	<b>400,000,000</b>
<b>Issued, Subscribed and Paid-up :</b>			
	31,99,38,080 Equity Shares (Previous Year	319,938,080	319,938,080
	31,99,38,080) of Rs. 1/- each		
	Forfeited Shares	16,730	16,730
	<b>TOTAL</b>	<b>319,954,810</b>	<b>319,954,810</b>
<b>(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2015	As at March 31, 2014
	Number of shares at the beginning of the year	319,938,080	319,938,080
	Add: Number of Shares allotted fully paid up during the year		
	Less: Number of Shares bought back during the year		
	Number of shares outstanding as at the end of the year	<b>319,938,080</b>	<b>319,938,080</b>
<b>(b) Terms / Rights attached to Equity Shares.</b>			
<b>i)</b> The Company has only one class of Equity Shares having a par value of Rs. 1/- per share. Each holder of Equity Share is entitled to one vote per share.			
<b>ii)</b> The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2015, amount of Dividend recognised as distributions to Equity Shareholders is Rs. 63,98,762/- (31st March, 2014 was Rs. Nil/-).			
<b>iii)</b> In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.			
<b>(c) The details of shareholders holding more than 5% shares.</b>			
	Name of the Shareholders	As at March 31, 2015	As at March 31, 2014
		Nos. of Shares      % held	Nos. of Shares      % held
	Luharuka Investment and Consultants Pvt Ltd	78449224      24.52%	77484224      24.22%
	Luharuka Exports Private Limited	77305444      24.16%	77305444      24.16%

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 3 - Reserves & Surplus

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
<b>(i) Special Reserve</b>		
As per last Balance Sheet	24,917,716	24,917,716
Add: Transferred from Profit and Loss Account	11,074,313	-
Less: Transferred to Profit and Loss Account	-	-
	<u>35,992,029</u>	<u>24,917,716</u>
<b>(ii) Share Premium</b>		
As per last Balance Sheet	522,567,120	522,567,120
Add: On Issue on Shares	-	-
	<u>522,567,120</u>	<u>522,567,120</u>
<b>(iii) Surplus in the Profit &amp; Loss Account</b>		
As per last Balance Sheet	2,167,791	37,194,746
Add: Profit for the year	55,371,566	(35,026,955)
Amount available for appropriations	<u>57,539,357</u>	<u>2,167,791</u>
<b>Less: Appropriations</b>		
Transferred to Special reserve	(11,074,313)	-
Depreciation adjustment as per the new Companies Act, 2013	(130,673)	-
Proposed dividend on Equity Shares	(6,398,762)	-
[ Dividend per share Re. 0.02/- (Previous year Rs. Nil/-)]		
Tax on Dividend	(1,279,589)	-
	<u>(18,883,337)</u>	<u>-</u>
<b>TOTAL</b>	<u><u>597,215,170</u></u>	<u><u>549,652,627</u></u>

### Note 4 - Deffered Tax Liabilities

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
Deffered Tax Liabilities	670,784	705,906
Add / Less: During the Year	(353,670)	(35,122)
	<u><u>317,114</u></u>	<u><u>670,784</u></u>

### Note 5 - Short Term Borrowings

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
(a) Loans repayable on demand		
From banks		
Secured (against Fixed Deposits)	15,779,783	37,409,389
Unsecured	-	-
	<u>15,779,783</u>	<u>37,409,389</u>
(b) Loans and advances from Others		
Secured *	-	101,187,122
Unsecured	-	-
	<u>-</u>	<u>101,187,122</u>
	<u><u>15,779,783</u></u>	<u><u>138,596,511</u></u>

\* Secured against shares and properties

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**Note 6 - Trade Payables**

		(Amount in INR)	
(a)	Particulars	As at March 31, 2015	As at March 31, 2014
	Current payables (including acceptances) outstanding for less than 12 months	675,000	121,500
		<u>675,000</u>	<u>121,500</u>

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

		(Amount in INR)	
	Particulars	As at March 31, 2015	As at March 31, 2014
	(i) Directors and other officers	-	-
	(ii) Firms in which any director is a partner	-	-
	(iii) Private companies in which director is a member/director	-	-
	<b>TOTAL</b>	<u>-</u>	<u>-</u>

**Note 7 - Other Current Liabilities**

		(Amount in INR)	
	Particulars	As at March 31, 2015	As at March 31, 2014
	Security Deposits from Tenants	1,688,643	8,688,643
	Outstanding Liabilities for Expenses	2,464,326	1,781,868
	Margin bill Discounting Deposit	-	45,720
	Other Payables	504,950	504,950
	<b>TOTAL</b>	<u>4,657,919</u>	<u>11,021,181</u>

**Note 8 - Short-Term Provisions**

		(Amount in INR)	
	Particulars	As at March 31, 2015	As at March 31, 2014
	Contingent provision for Standard Advances	1,278,950	549,700
	Contingent provision for Sub-Standard Advances	3,379,190	45,427,670
	Provision for doubtful debts	540,000	600,000
	Provision for Taxation	2,566,100	46,577,370
	Provision for Proposed Dividend	6,398,762	3,286,000
	Provision for Tax on Proposed Dividend	1,279,589	-
	<b>TOTAL</b>	<u>15,442,591</u>	<u>49,863,370</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note - 9 :- Fixed assets

A. Tangible assets : Own Assets	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2015	Balance as at 31 March, 2014
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a Office Premises	771,090	-	-	771,090	12,054	-	523,918	535,972
b Furniture and fittings	6,148,956	-	-	6,148,956	965,551	-	2,322,600	3,288,151
c Motor Vehicles	4,780,363	-	-	4,780,363	453,752	-	2,694,956	3,148,708
d Electrical Installations and Equipment	747,954	-	-	747,954	157,131	-	293,258	450,389
e Computers and data processing units	690,440	-	-	690,440	118,250	129,795	58,774	306,819
f Plant and Machinery	799,574	64,099	-	863,673	57,164	878	574,236	568,179
<b>Total</b>	<b>13,938,377</b>	<b>64,099</b>	<b>-</b>	<b>14,002,476</b>	<b>1,763,902</b>	<b>130,673</b>	<b>6,467,742</b>	<b>8,298,218</b>
Previous year	13,761,217	197,550	20,390	13,938,377	1,051,195	20,390	8,298,218	9,151,863

#### Note : 9.1

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The book value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs. 1,30,673/-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**
**Note - 10 :- Non- Current Investments**

Particulars	Nos. / Units	Cost As on	FMV As on	Nos. / Units	Cost As on	FMV As on	(Amount in INR)	
							31.03.2014	31.03.2014
<b>In Equity Shares of Associate Companies - Unquoted Fully paid-up</b>		31.03.2015	31.03.2015					
Comfort Securities Ltd. (F.V. Rs. 10/- each)	5,750,000	56,000,000	NA	5,750,000	56,000,000	NA		NA
Lemonade Share & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	220,000	22,000,000	NA	220,000	22,000,000	NA		NA
Liquors India Limited	200,000	54,600,000	NA	200,000	54,600,000	NA		NA
<b>In Equity Shares of Others- Unquoted Fully paid-up</b>								
The Malad Sahkari Bank Ltd (F.V. Rs. 10/- each)	100	1,000	NA	100	1,000	NA		NA
<b>Total [A]</b>	<b>6,170,100</b>	<b>132,601,000</b>	-	<b>6,170,100</b>	<b>132,601,000</b>	-		-
<b>In Equity Shares of Others- Quoted Fully paid-up</b>								
Syncom Formulation (I) Ltd (F.V. Re. 1/- each)	4,536,325	-	19,460,834	5,365,855	2,419,364	31,121,959		
Comfort Commotrade Ltd. (F.V. Rs. 10/- each)	1,200,000	13,625,000	12,120,000	1,200,000	13,625,000	29,700,000		
Himachal Futuristic Communications Ltd (F.V. Re. 1/- each)	1,590,000	12,640,443	21,306,000	1,590,000	12,640,443	13,022,100		
<b>Total [B]</b>	<b>7,326,325</b>	<b>26,265,443</b>	<b>52,886,834</b>	<b>8,155,855</b>	<b>28,684,807</b>	<b>73,844,059</b>		
<b>In Equity Shares of Subsidiary Companies - Unquoted Fully paid-up</b>								
Finsolution Services FZE ( of 1,00,000 AED)	-	-	-	-	1,534,000	NA		
<b>Total [C]</b>		-	-		<b>1,534,000</b>			
<b>In Mutual Fund of Others - Quoted Fully paid-up</b>								
UTI Money Market Fund	7828.7360	11,711,800	12,275,006	-	-	-		-
<b>Total [D]</b>	<b>7,828.7360</b>	<b>11,711,800</b>	<b>12,275,006</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL [A+B+C+D]</b>	<b>13,504,254</b>	<b>170,578,243</b>	<b>65,161,841</b>	<b>14,325,955</b>	<b>162,819,807</b>	<b>73,844,059</b>		
<b>Notes</b>				<b>Current Year</b>		<b>Previous Year</b>		
1. Aggregate amount of Quoted Investment				37,977,243		28,684,807		
2. Aggregate Market Value of Quoted Investment				65,161,841		73,844,059		
3. Aggregate amount of Un-Quoted Investment				132,601,000		134,135,000		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 11 - Long - Term Loans & Advances

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
Capital Advances	10,000,000	31,798,134
	<u>10,000,000</u>	<u>31,798,134</u>

### Note 12 - Other Non-Current Assets

Miscellaneous Expenditure to the extent not w/off

Preliminary Expenses	63,369	157,365
Right Issue Expenses (2009-10)	550,272	1,100,546
Add: During the year	-	-
Less: W/off during the year	<u>(613,641)</u>	<u>(644,269)</u>
	-	613,642
<b>TOTAL</b>	<u>-</u>	<u>613,642</u>

### Note 13 - Inventories

(a) Stock-in-trade (Shares) (Valued at lower of cost or Market Value)	19,940,303	23,287,332
(b) Stock-in-trade (Properties acquired in satisfaction of claims) (Valued at cost to the Company)	92,107,454	56,445,059
<b>TOTAL</b>	<u>112,047,757</u>	<u>79,732,391</u>

### Note 14 - Trade Receivables

#### (a) (i) Due for a period exceeding six months

- Unsecured, considered good	-	8,883
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
	-	8,883

#### (ii) Others

- Unsecured, considered good	533,389	1,703,978
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>1,703,978</u>
	533,389	1,703,978
<b>TOTAL</b>	<u>533,389</u>	<u>1,712,861</u>

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

(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	80,907	1,202,397
<b>TOTAL</b>	<u>80,907</u>	<u>1,202,397</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 15 - Cash & Bank Balances

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
<b>Cash &amp; Bank Balances</b>		
(i) Balances with Banks :		
- Current Accounts	13,895,278	274,123
- Deposit Accounts (Under lien with Banks)	<u>75,349,215</u>	<u>89,244,493</u>
(ii) Cash-in-hand	205,429	95,144,830
(iii) Cheques & Drafts in-hand	-	95,418,953
<b>TOTAL</b>	<b><u>89,449,922</u></b>	<b><u>126,421,311</u></b>

**Note : Fixed Deposits with Banks include deposits of Rs. 8.30 Crores (Previous Year Rs. 3.57 Crores) with maturity of more than 12 months.**

### Note 16 - Short Term Loans & Advances

<b>(i) Security deposits</b>		
Secured, considered good	11,000	11,000
Unsecured, considered good	-	-
Doubtful	<u>-</u>	<u>11,000</u>
<b>(ii) Advances recoverable in cash or in kind for value to be received</b>		
i) Advances Considered good & in respect of which Company is fully secured	438,372,497	599,342,960
ii) Advances Considered good for which Company holds no Security others than personal security	<u>73,207,645</u>	<u>511,580,142</u>
iii) Sub-Standard Advances in respect of which Company is:		
(a) Secured	32,791,945	3,195,350
(b) Unsecured	1,000,000	-
Doubtful (Secured)	<u>1,800,000</u>	<u>35,591,945</u>
(iii) Prepaid Expenses	27,573	18,025
(iv) Other Advances	20,500	268,133
(v) Advance income tax , TDS & STT - Unsecured, considered good	11,691,976	11,550,344
<b>TOTAL</b>	<b><u>558,923,136</u></b>	<b><u>657,204,983</u></b>

### Note 17 - Other Current Assets

FDR Interest Receivable	6,042,198	1,279,434
	<u>6,042,198</u>	<u>1,279,434</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 18 - Revenue from Operations

Particulars	(Amount in INR)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Sales of Shares	15,485,723	4,213,470
Profit from F&O trading & Non-delivery transaction	102,222	15,587,945
Sales of Goods	1,774,752	(10,729)
Professional Fees received	-	4,202,742
Interest Received	64,814,209	-
Dividend Received	7,290,822	200,000
Rent Received	5,426,200	105,126,047
Long Term Capital Gain on Shares	2,546,926	782,134
Short Term Capital Gain on Mutual Fund	104,070	1,603,500
Loan Processing Fees	756,417	2,811,038
Reversal of Excess Provision for Asset	41,379,230	-
<b>TOTAL</b>	<b>139,680,570</b>	<b>115,411,211</b>

### Note 19 - Other Income

Misc Income	557,280	114,785
Commission / Brokerage Received	-	-
Interest received on IT Refund	608,486	-
<b>TOTAL</b>	<b>1,165,766</b>	<b>114,785</b>

### Note 20 - Purchases

Purchases of Shares	12,599,938	12,460,303
Purchases of Goods	1,690,240	-
Properties acquired in satisfaction of claims	35,662,395	-
<b>TOTAL</b>	<b>49,952,573</b>	<b>12,460,303</b>

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

<b>Inventories at the end of the year</b>		
Shares	19,940,303	23,287,332
Properties (including transfer form Fixed Asset)	92,107,454	56,445,059
<b>Inventories at the beginning of the year</b>		
Shares	23,287,332	58,453,108
Properties (including transfer form Fixed Asset)	56,445,059	56,445,059
<b>Net (Increase) / Decrease in Inventories</b>	<b>(32,315,366)</b>	<b>35,165,776</b>

### Note 22 - Employment Benefit Expenses

Salaries , Bonus & Allowances	10,783,925	7,397,154
Staff Welfare Expenses	362,328	263,205
<b>TOTAL</b>	<b>11,146,253</b>	<b>7,660,359</b>

### Note 23 - Financial Costs

Interest Expenses	5,650,089	23,446,953
<b>TOTAL</b>	<b>5,650,089</b>	<b>23,446,953</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 24 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Advertisement Expenses	136,735	345,895
Annual Listing Fees	139,627	110,428
Bad debts W/off	28,122,863	11,960,800
Charities & Donation	25,000	25,000
Custodial Fees	113,081	106,180
Demat & Share trf Expenses	16,362	87,172
Electricity Expenses	1,612,974	1,256,821
Legal & Professional Fees	4,875,771	3,347,762
Insurance Expenses	34,187	59,301
Motor Car Expenses	761,644	434,243
Rates & Taxes (Professional Tax )	2,500	2,500
Payments to Auditors :		
- Audit & Tax Audit fees	100,000	100,000
- For Other Services	- 100,000	- 100,000
Repair & Maintenance to Building	-	-
Repair & Maintenance to Other Assets	305,107	265,003
Rent Expense	960,000	960,000
Securities Transaction Tax	45,675	40,868
Sundry Balance w/off	8,883	-
Telephone , Telex and Postage	875,429	722,442
Travelling & Conveyance Expenses	4,737,506	3,182,724
Provision for Asset	-	41,898,400
Printing & Stationery	98,365	97,577
Preliminary Expenses W/off	63,369	93,996
Right Issue Expenses W/off	550,272	550,273
Other Expenses	3,359,968	1,910,618
<b>TOTAL</b>	<b><u>46,945,319</u></b>	<b><u>67,558,003</u></b>

### Note 25 - Earnings Per Equity Share

<b>(a) Net profit after tax attributable to equity shareholders for</b>		
Basic EPS	55,371,566	(35,026,955)
Add/Less: Adjustment relating to potential equity shares		-
Net profit after tax attributable to equity shareholders for Diluted EPS	55,371,566	(35,026,955)
<b>(b) Weighted average no. of equity shares outstanding during the year</b>		
For Basic EPS	319,938,080	319,938,080
<b>(c) Face Value per Equity Share (Rs.)</b>		
Basic EPS	1.00	1.00
	0.17	-

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

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

27. Contingent liabilities & Commitments:

Particulars	2014-2015 (Rs.)	2013-2014 (Rs.)
Claims against the Company / Disputed Liabilities, not acknowledged as Debt	22,52,550	22,52,550

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

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

Particulars	2014-2015 (Rs.)	2013-2014 (Rs.)
Secured against Immovable Property	68,21,500	4,95,61,497
Secured against Shares	46,61,42,942	55,49,76,813

30. Foreign Currency Transactions:

Particulars	2014-2015 (Rs.)	2013-2014 (Rs.)
<b>Outgo:</b>		
Travelling Expenses	Nil	Nil
<b>Earnings:</b>	Nil	Nil

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

32. There are no dues to Micro and Small Enterprises as at 31<sup>st</sup> March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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

**Parties Where Control Exists:** Finsolution Services FZE – Wholly owned Subsidiary

**Parties with whom transaction have taken place.**

A. Name of the related parties & description of relationship

- |    |                                                   |   |                                                                                                                                                                                                                                                                                              |
|----|---------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) | Key Managerial Personnel<br>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 (Director)<br>Shri Janak Mehta (Director)<br>Shri Anilkumar Nevatia (Director) |
| b) | Relative of Key Managerial Personnel              | : | M/s Luharuka Travels & M/s Luharuka Enterprises<br>(Proprietorship concerns of Mr. Pradeep Agrawal, brother of<br>Managing Director i.e. Anil Agrawal<br>Shri Ankur Agrawal (son of Managing Director i.e. Anil Agrawal)                                                                     |
| c) | Sister concern                                    | : | Comfort Securities Ltd<br>Comfort Fincap Ltd.<br>Comfort Commotrade Ltd.<br>Comfort Capital Pvt. Ltd.                                                                                                                                                                                        |

# Comfort Intech Limited

Annual Report 2014 - 2015

Luharuka Dealers Pvt. Ltd.  
Luharuka Investment & Consultants Pvt. Ltd.  
Luharuka Exports Pvt. Ltd.  
Luharuka Tradelink Pvt Ltd  
Liquors India Ltd.

d) Subsidiary : Finsolution Services FZE

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

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates	Subsidiary
<b>A</b>	<b>Equity Contribution</b>	-	-	-	-
		-	-	-	-
<b>B</b>	<b>Share Application Money paid pending allotment</b>	-	-	<b>2,10,75,000</b>	-
		-	-	-	-
	- Luharuka Dealers Pvt. Ltd.	-	-	47,75,000	-
		-	-	-	-
	- Luharuka Tradelink Pvt. Ltd.	-	-	1,63,00,000	-
		-	-	-	-
<b>C</b>	<b>Share Application Money refund</b>			<b>2,10,75,000</b> <b>(1,22,00,000)</b>	
	- Luharuka Dealers Pvt. Ltd.	-	-	47,75,000	-
		-	-	-	-
	- Luharuka Tradelink Pvt. Ltd.	-	-	1,63,00,000	-
		-	-	-	-
	- Comfort Capital Pvt. Ltd.	-	-	-	-
		-	-	(1,22,00,000)	-
<b>D</b>	<b>i) Loan Given</b>	-	-	<b>2,60,00,000</b>	-
		-	-	-	-
	- Liquors India Limited	-	-	2,60,00,000	-
		-	-	-	-
	<b>ii) Loan Received Back</b>	-	-	-	-
		-	-	-	<b>(1,50,00,000)</b>
	- Luharuka Tradelink Pvt Ltd	-	-	-	-
		-	-	-	(1,50,00,000)
<b>E</b>	<b>Expenditure;</b>				
	<b>Brokerage Paid</b>	-	-	<b>2,411</b> <b>(2,090)</b>	-
		-	-	-	-
	- Comfort Securities Ltd	-	-	2,411	-
		-	-	(2,090)	-
	<b>Demat Charges Paid</b>	-	-	<b>4,205</b> <b>(10,441)</b>	-
		-	-	-	-
	- Comfort Securities Ltd	-	-	4,205	-
		-	-	(10,441)	-
	<b>Office Rent Paid</b>	<b>9,60,000</b> <b>(9,60,000)</b>	-	-	-
		-	-	-	-
	- Anil Agrawal HUF	4,80,000 (4,80,000)	-	-	-
		-	-	-	-
	- Smt. Annu Agrawal	4,80,000 (4,80,000)	-	-	-
		-	-	-	-

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates	Subsidiary
	<b>Directors Remuneration</b>	<b>34,19,791 (23,50,167)</b>	<b>12,96,774 (5,00,000)</b>	- -	- -
	- Shri Anil Agrawal	21,18,333 (14,25,000)	- -	- -	- -
	- Shri Bharat Shiroya	13,01,458 (9,25,167)	- -	- -	- -
	- Shri Ankur Agrawal	- -	12,96,774 (5,00,000)		
	<b>Travelling Expenses</b>	- -	- <b>(4,000)</b>	- -	- -
	- Mr. Pradeep Agrawal	- -	- (4,000)	- -	- -
	<b>Reimbursements Made</b>	- -	- -	- <b>(86,775)</b>	- -
	- Comfort Fincap Ltd.	- -	- -	- (1,775)	- -
	- Luharuka Dealers Pvt Ltd	- -	- -	- (85,000)	- -

Figure in bracket relates to previous year.

34. In accordance with Accounting standard AS -22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a net deferred tax asset of Rs. 3,53,670/- as on 31<sup>st</sup> March, 2015. (Previous Year Rs. 35,122/-).

A	LIABILITY	Current Year	Previous Year
	WDV as per companies Act : Rs. 64,67,742	<b>3,17,114</b>	<b>6,70,784</b>
	WDV as per Income Tax Act : Rs. 54,90,352		
B	ASSETS	Nil	Nil
	<b>Net Deferred Tax Liability (A-B)</b>	<b>3,17,114</b>	<b>6,70,784</b>

35. The company had bought back the capital investment made in its wholly owned subsidiary i.e. 1,00,000 AED and the amount is still lying in the Axis Bank Nostro Account.
36. The Previous year figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.

### 37. Segment Reporting

In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the accounting standard AS-17, issued by the Institute of Chartered Accountants Of India.

As per our report of even date

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-

**Anil Agrawal**

Managing Director

Sd/-

**Bharat Shiroya**

Whole-time Director

Sd/-

**Ramadevi Gundeti**

Company Secretary

**INDEPENDENT AUDITOR'S REPORT****To the Board of Directors of Comfort Intech Limited****Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Comfort Intech Limited ("the Company"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

**Basis for Qualified Opinion**

1. *Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.*  
*As stated in Note 1 (I) of Significant Accounting Policies followed by the company the Company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.*
2. *Reserve Bank of India vide its order dated 24<sup>th</sup> September, 2014 has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has given various loans on various dates during the period from 25/11/2014 to 31/03/2015 amounting to Rs. 1.70 crores to M/s Liquors India Ltd. (A Related Party) without seeking any permission from Reserve Bank of India. According to the company the same was on the basis of a contractual commitment entered into by the company prior to the intimation of cancellation of its certificate of registration).*

**Qualified Opinion**

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Consolidated Profit and Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw your attention to :

- 1) There was a violation of RBI Guidelines on exposure norms in the case of one borrower where the exposure was Rs.37.34 Crores as on 31st March 2015. The owned fund of the company as on 31st March 2014 stood at Rs.86.90 crores. Therefore the single and group exposure limits of 15% and 25% worked out to Rs.13.04 crore and Rs.21.72 crore.
- 2) Reserve Bank of India vide its order dated 24th September, 2014 (vide their covering letter dated 14th October 2014) its has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has filed an appeal before the appellate authority for non banking finance company, Government of India against the above cancellation order.

Our opinion is not qualified in respect of this matter.

**Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 97.76 Lacs as at 31 March 2015, total revenue of Rs. 17.28 Lacs, the net loss for the year of Rs. 40.99 Lacs and total cash inflow of Rs. 41.13 Lacs for the year then ended 31<sup>st</sup> March 2015. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For **Bansal Bansal and Co.**

**Chartered Accountants**

FRN: 100986W

Sd/-

**Sanjay Bansal**

**Membership No. :104824**

**Partner**

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2015**

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(Amount in INR)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I Equity &amp; Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	319,954,810	319,954,810
(b) Reserves and Surplus	3	606,940,098	563,038,684
(c) Money received against share warrants		-	-
		<b>926,894,908</b>	<b>882,993,494</b>
<b>2. Share application money pending allotment</b>		-	-
<b>3. Non - Current Liabilities</b>			
(a) Long -Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	4	317,114	670,784
(c) Other Long - Term Liabilities		-	-
(d) Long - Term Provisions		-	-
		<b>317,114</b>	<b>670,784</b>
<b>4. Current Liabilities</b>			
(a) Short - Term Borrowings	5	15,779,783	138,596,511
(b) Trade Payables	6	675,000	121,500
(c) Other Current Liabilities	7	4,708,984	11,069,976
(d) Short - Term Provisions	8	15,442,591	49,863,370
		<b>36,606,358</b>	<b>199,651,357</b>
<b>TOTAL</b>		<b>963,818,380</b>	<b>1,083,315,636</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		6,467,742	8,298,218
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non - Current Investments	10	170,578,243	161,285,807
(c) Long - Term Loans and Advances	11	10,000,000	31,798,134
(d) Other Non - Current Assets	12	-	613,642
		<b>187,045,985</b>	<b>201,995,802</b>
<b>2. Current Assets</b>			
(a) Inventories	13	112,047,757	79,732,391
(b) Trade Receivables	14	533,389	1,712,861
(c) Cash and Bank Balances	15	94,634,711	131,557,455
(d) Short - Term Loans and Advances	16	563,514,341	667,037,691
(e) Other Current Assets	17	6,042,198	1,279,434
		<b>776,772,395</b>	<b>881,319,833</b>
<b>TOTAL</b>		<b>963,818,380</b>	<b>1,083,315,635</b>
<b>Significant Accounting Policies</b>	1		

As per our report of even date

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Date : 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat N. Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>I</b> Revenue from Operations	18	141,408,499	123,040,225
<b>II</b> Other Income	19	<u>1,165,766</u>	<u>114,785</u>
<b>III Total Revenue (I + II)</b>		<b>142,574,265</b>	<b>123,155,010</b>
<b>IV Expenses</b>			
Purchases	20	49,952,573	12,460,303
Changes in Inventories of Stock-in-trade	21	(32,315,365)	35,165,776
Employee Benefits Expenses	22	11,146,253	7,660,359
Finance Costs	23	5,650,089	23,446,953
Depreciation and Amortization Expense	9	1,763,902	1,051,195
Other Expenses	24	<u>52,771,767</u>	<u>72,482,036</u>
<b>Total Expenses</b>		<b><u>88,969,218</u></b>	<b><u>152,266,622</u></b>
<b>V Profit before Tax (III-IV)</b>		<b><u>53,605,047</u></b>	<b><u>(29,111,612)</u></b>
<b>VI</b> Exceptional Items		<u>-</u>	<u>-</u>
<b>VII Profit before Extraordinary Items and Tax (V-VI)</b>		<b><u>53,605,047</u></b>	<b><u>(29,111,612)</u></b>
<b>VIII</b> Extraordinary Items		<u>-</u>	<u>-</u>
<b>IX Profit Before Tax (VII-VIII)</b>		<b><u>53,605,047</u></b>	<b><u>(29,111,612)</u></b>
<b>X Tax Expense:</b>			
(a) Current Tax		2,566,100	3,286,000
(b) Deferred Tax		(353,670)	(35,122)
(c) Income Tax of Earlier years written off (Back)		<u>119,570</u>	<u>(40,516)</u>
		<b><u>2,332,000</u></b>	<b><u>3,210,362</u></b>
<b>XI Profit for the Period from Continuing Operations (IX - X)</b>		<b><u><u>51,273,047</u></u></b>	<b><u><u>(32,321,974)</u></u></b>
<b>XII Earnings Per Equity Share (Face Value Rs. 1/- Per Share):</b>	25		
Basic & Diluted (Rs.)		0.16	-
<b>Significant Accounting Policies</b>	1		

As per our report of even date

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat N. Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015	(Amount in INR) Year ended 31st March, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	53,605,047	(29,111,612)
<b>Adjustments for :</b>		
Interest Paid	5,650,089	23,446,953
Depreciation	1,763,902	1,051,195
Provision for Advances	(41,379,230)	41,898,400
Baddebts Written Off	28,122,863	11,960,800
Rent Received	(5,426,200)	(1,603,500)
Misc. Expenses w/off	613,641	644,269
<b>Operating Profit before Working Capital change</b>	<b>42,950,112</b>	<b>48,286,505</b>
<b>Adjustments for :</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(32,315,365)	35,165,776
Trade receivables	1,179,473	(1,434,882)
Short-term loans and advances	75,542,119	(6,846,985)
Long-term loans and advances	21,798,134	72,657,456
Other current assets	(4,762,764)	1,900,723
Other non-current assets	-	-
<i>Adjustments for (increase) / (decrease) in operating liabilities:</i>		
Trade payables	553,500	95,706
Other current liabilities	(5,923,599)	10,038,662
Other long-term liabilities	-	-
Short-term provisions	-	-
Long-term provisions	(5,370,099)	-
<b>Cash Generated From Operations</b>	<b>99,021,609</b>	<b>159,862,961</b>
Income Tax paid	3,547,202	7,726,012
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>95,474,408</b>	<b>152,136,949</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments (Purchased)/Sold	(9,292,436)	(63,993,764)
Fixed Assets (Purchased)/Sold	(64,099)	(197,550)
Rent Received	5,426,200	1,603,500
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>(3,930,335)</b>	<b>(62,587,814)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Equity Capital	-	-
Dividend Paid (including Dividend Tax)	-	(7,486,232)
Loan taken / (Repaid) in Secured Loan	(122,816,729)	(48,592,999)
Interest paid	(5,650,089)	(23,446,953)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>(128,466,818)</b>	<b>(79,526,184)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>	<b>(36,922,745)</b>	<b>10,022,951</b>
Cash and Cash Equivalents -- Opening Balance	131,557,455	121,534,504
Cash and Cash Equivalents -- Closing Balance	94,634,711	131,557,455
	(0)	0

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

As per our report of even date attached

**For Bansal Bansal & Co.**

Chartered Accountants

**FRN : 100986W**

Sd/-

**Sanjay Bansal**

Partner

M. No. 104824

Mumbai, 30<sup>th</sup> May 2015

Sd/-  
**Anil Agrawal**  
Managing Director

Sd/-  
**Bharat N. Shiroya**  
Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
Company Secretary

## Consolidated Notes to financial statements for the year ended March 31, 2015

### NOTE - '1'

#### SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

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

- A. The financial statements of the Company and its wholly subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
  - i. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange translation reserve.
  - ii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements
- B. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- C. Other significant accounting policies  
 These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

#### Note 2 - Share Capital

Particulars	As at March 31, 2015	(Amount in INR) As at March 31, 2014
<b>Authorised :</b>		
40,00,00,000 Equity Shares (Previous Year 40,00,00,000) of Rs. 1/- each	400,000,000	400,000,000
<b>TOTAL</b>	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
<b>Issued, Subscribed and Paid-up :</b>		
31,99,38,080 Equity Shares (Previous Year 31,99,38,080) of Rs. 1/- each	319,938,080	319,938,080
Forfeited Shares	16,730	16,730
<b>TOTAL</b>	<b><u>319,954,810</u></b>	<b><u>319,954,810</u></b>
<b>(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>		
Number of shares at the beginning of the year	319,938,080	319,938,080
Add: Number of Shares allotted fully paid up during the year	-	-
Less: Number of Shares bought back during the year	-	-
<b>Number of shares outstanding as at the end of the year</b>	<b><u>319,938,080</u></b>	<b><u>319,938,080</u></b>
<b>(b) Terms / Rights attached to Equity Shares.</b>		
i) The Company has only one class of Equity Shares having a par value of Rs. 1/- per share. Each holder of Equity Share is entitled to one vote per share.		
ii) The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2015, amount of Dividend recognised as distributions to Equity Shareholders is Rs. 63,98,762/- (31st March, 2014 was Rs. Nil/-).		

## Notes on Consolidated financial statements for the year ended March 31, 2015

- iii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.
- (c) The details of shareholders holding more than 5% shares.

Name of the Shareholders	As at March 31, 2015		As at March 31, 2014	
	Nos. of Shares	% held	Nos. of Shares	% held
Luharuka Investment and Consultants Pvt Ltd	78449224	24.52%	77484224	24.22%
Luharuka Exports Private Limited	77305444	24.16%	77305444	24.16%

### Note 3 - Reserves & Surplus

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
<b>(i) Special Reserve</b>		
As per last Balance Sheet	24,916,825	24,916,825
Add: Transferred from Profit and Loss Account	11,074,313	-
Less: Transferred to Profit and Loss Account	-	-
	35,991,138	24,916,825
<b>(ii) Share Premium</b>		
As per last Balance Sheet	522,567,120	522,567,120
Add: On Issue on Shares	-	-
	522,567,120	522,567,120
<b>(iii) Surplus in the Profit &amp; Loss Account</b>		
As per last Balance Sheet	14,110,927	46,456,108
Less : Profit of the subsidiary company	-	(23,208)
Add: Profit for the year	51,273,047	(32,321,974)
Amount available for appropriations	65,383,973	14,110,927
<b>Less: Appropriations</b>		
Transferred to Special reserve	(11,074,313)	-
Depreciation adjustment as per the new Companies Act, 2013	(130,673)	-
Proposed dividend on Equity Shares	(6,398,762)	-
[Dividend per share Re 0.02/- (Previous year Re. Nil/-)]	(1,279,589)	-
Tax on Dividend	(18,883,337)	-
	46,500,637	14,110,927
<b>(iv) Foreign Exchange Translation Reserve</b>	1,881,203	1,443,812
<b>TOTAL</b>	<b>606,940,098</b>	<b>563,038,684</b>

### Note 4 - Deferred Tax Liabilities

Particulars	(Amount in INR)	
	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liabilities	670,784	705,906
Add / Less: During the Year	(353,670)	(35,122)
	<b>317,114</b>	<b>670,784</b>

## Notes on Consolidated financial statements for the year ended March 31, 2015

### Note 5 - Short Term Borrowings

Particulars	As at March 31, 2015	(Amount in INR) As at March 31, 2014
(a) Loans repayable on demand		
From banks		
Secured (against Fixed Deposits)	15,779,783	37,409,389
Unsecured	-	-
	<u>15,779,783</u>	<u>37,409,389</u>
(b) Loans and advances from Others		
Secured *	-	101,187,122
Unsecured	-	-
	<u>-</u>	<u>101,187,122</u>
	<u><b>15,779,783</b></u>	<u><b>138,596,511</b></u>

\* Secured against shares and properties

### Note 6 - Trade Payables

Current payables (including acceptances) outstanding for less than 12 months	675,000	121,500
	<u><b>675,000</b></u>	<u><b>121,500</b></u>

### Note 7 - Other Current Liabilities

Security Deposits from Tenants	1,688,643	8,688,643
Outstanding Liabilities for Expenses	2,515,391	1,830,663
Margin bill Discounting Deposit	-	45,720
Other Payables	504,950	504,950
<b>TOTAL</b>	<u><b>4,708,984</b></u>	<u><b>11,069,976</b></u>

### Note 8 - Short-Term Provisions

Contingent provision for Standard Advances	1,278,950	549,700
Contingent provision for Sub-Standard Advances	3,379,190	45,427,670
Provision for doubtful debts	540,000	600,000
Provision for Taxation	2,566,100	3,286,000
Provision for Proposed Dividend	6,398,762	-
Provision for Tax on Proposed Dividend	1,279,589	-
<b>TOTAL</b>	<u><b>15,442,591</b></u>	<u><b>49,863,370</b></u>

## Notes on Consolidated financial statements for the year ended March 31, 2015

### Note - 9 :- Fixed assets

A. Tangible assets: Own Assets	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 1 April, 2014	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2015	Balance as at 31 March, 2014
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Office Premises	771,090	-	-	771,090	12,054	-	247,172	523,918
Furniture and fittings	6,148,956	-	-	6,148,956	965,551	-	3,826,356	2,322,600
Motor Vehicles	4,780,363	-	-	4,780,363	453,752	-	2,085,407	2,694,956
Electrical Installations and Equipment	747,954	-	-	747,954	157,131	-	454,696	293,258
Computers and data processing units	690,440	-	-	690,440	118,250	129,795	631,666	58,774
Plant and Machinery	799,574	64,099	-	863,673	57,164	878	289,437	574,236
<b>Total</b>	<b>13,938,377</b>	<b>64,099</b>	<b>-</b>	<b>14,002,476</b>	<b>1,763,902</b>	<b>130,673</b>	<b>7,273,388</b>	<b>6,467,742</b>
<b>Previous year</b>	<b>13,761,217</b>	<b>197,550</b>	<b>20,390</b>	<b>13,938,377</b>	<b>1,051,195</b>	<b>20,390</b>	<b>5,640,159</b>	<b>8,298,218</b>

#### Note : 9.1

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The book value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax. In the opening balance of Profit and Loss Account amounting to Rs. 1,30,673/-

### Note - 10 :- Non- Current Investments

Particulars	Nos. / Units	Cost As on 31.03.2015	FMV As on 31.03.2015	Nos. / Units	Cost As on 31.03.2014	FMV As on 31.03.2014
<b>In Equity Shares of Associate Companies - Unquoted Fully paid-up</b>						
Comfort Securities Ltd. (F.V. Rs. 10/- each)	5,750,000	56,000,000	NA	5,750,000	56,000,000	NA
Lemonade Share & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	220,000	22,000,000	NA	220,000	22,000,000	NA
Liquors India Limited	200,000	54,600,000	NA	200,000	54,600,000	NA
<b>In Equity Shares of Others- Unquoted Fully paid-up</b>						
The Malad Sahkari Bank Ltd (F.V. Rs. 10/- each)	100	1,000	NA	100	1,000	NA
<b>Total [A]</b>	<b>6,170,100</b>	<b>132,601,000</b>	<b>-</b>	<b>6,170,100</b>	<b>132,601,000</b>	<b>-</b>
<b>In Equity Shares of Others- Quoted Fully paid-up</b>						
Syncom Formulation (I) Ltd (F.V. Rs. 10/- each)	4,536,325	-	19,460,834	5,365,855	2,419,364	31,121,959
Comfort Comtrade Ltd. (F.V. Rs. 10/- each)	1,200,000	13,625,000	12,120,000	1,200,000	13,625,000	29,700,000
Himachal Futuristic Communications Ltd (F.V. Re. 1/- each)	1,590,000	12,640,443	21,306,000	1,590,000	12,640,443	13,022,100
<b>Total [B]</b>	<b>7,326,325</b>	<b>26,265,443</b>	<b>52,886,834</b>	<b>8,155,855</b>	<b>28,684,807</b>	<b>73,844,059</b>
<b>In Mutual Fund of Others - Quoted Fully paid-up</b>						
UTI Money Market Fund	7828.7360	11,711,800	12,275,006	-	-	-
<b>Total [C]</b>	<b>7,828.7360</b>	<b>11,711,800</b>	<b>12,275,006</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL [A+B+C]</b>	<b>13,504,254</b>	<b>170,578,243</b>	<b>65,161,841</b>	<b>14,325,955</b>	<b>161,285,807</b>	<b>73,844,059</b>

#### Notes

	Current Year	Previous Year
1. Aggregate amount of Quoted Investment	37,977,243	28,684,807
2. Aggregate Market Value of Quoted Investment	65,161,841	73,844,059
3. Aggregate amount of Un-Quoted Investment	132,601,000	132,601,000

## Notes on Consolidated financial statements for the year ended March 31, 2015

### Note 11 - Long - Term Loans & Advances

Particulars	As at March 31, 2015	(Amount in INR) As at March 31, 2014
Capital Advances	10,000,000	31,798,134
	<u>10,000,000</u>	<u>31,798,134</u>

### Note 12 - Other Non-Current Assets

#### Miscellaneous Expenditure to the extent not w/off

Preliminary Expenses	63,369	157,365
Right Issue Expenses (2009-10)	550,272	1,100,546
Add: During the year	-	-
Less: W/off during the year	<u>(613,641)</u>	<u>(644,269)</u>
	-	613,642
<b>TOTAL</b>	<u>-</u>	<u>613,642</u>

### Note 13 - Inventories

(a) Stock-in-trade (Shares) (Valued at lower of cost or Market Value)	19,940,303	23,287,332
(b) Stock-in-trade (Properties acquired in satisfaction of claims) (Valued at cost to the Company)	92,107,454	56,445,059
<b>TOTAL</b>	<u>112,047,757</u>	<u>79,732,391</u>

### Note 14 - Trade Receivables

#### (a) (i) Due for a period exceeding six months

- Unsecured, considered good	-	8,883
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	-	8,883

#### (ii) Others

- Unsecured, considered good	533,389	1,703,978
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>533,389</u>	<u>1,703,978</u>
	533,389	1,703,978
<b>TOTAL</b>	<u>533,389</u>	<u>1,712,861</u>

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

(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/ director	80,907	1,202,397
<b>TOTAL</b>	<u>80,907</u>	<u>1,202,397</u>

### Note 15 - Cash & Bank Balances

#### Cash & Bank Balances

(i) Balances with Banks :				
- Current Accounts	19,080,067		1,343,992	
- Deposit Accounts (Under lien with Banks)	75,349,215	94,429,282	99,211,105	100,555,097
(ii) Cash-in-hand		205,429		414,858
(iii) Cheques & Drafts in-hand		-		30,587,500
<b>TOTAL</b>		<u>94,634,711</u>		<u>131,557,455</u>

**Note :** Fixed Deposits with Banks include deposits of Rs. 3.57 Crores (Previous Year Rs. 1.13 Crores) with maturity of more than 12 months.

## Notes on Consolidated financial statements for the year ended March 31, 2015

### Note 16 - Short Term Loans & Advances

#### (i) Security deposits

Secured, considered good	11,000		11,000	
Unsecured, considered good	-		-	
Doubtful	-	11,000	-	11,000

#### (ii) Advances recoverable in cash or in kind for value to be received

i) Advances Considered good & in respect of which Company is fully secured	438,372,497		599,342,960	
ii) Advances Considered good for which Company holds no Security others than personal security	<u>73,207,645</u>	<u>511,580,142</u>	<u>40,819,171</u>	640,162,131
iii) Sub-Standard Advances in respect of which Company is:				
(a) Secured	32,791,945		3,195,350	
(b) Unsecured	1,000,000		-	
Doubtful (Secured)	<u>1,800,000</u>	<u>35,591,945</u>	<u>2,000,000</u>	5,195,350
(iii) Prepaid Expenses		27,573		18,025
(v) Other Advances		4,611,705		10,100,841
(vi) Advance income tax , TDS & STT - Unsecured, considered good		11,691,976		11,550,344

#### TOTAL

563,514,341 667,037,691

### Note 17 - Other Current Assets

FDR Interest Receivable	<u>6,042,198</u>	<u>1,279,434</u>
	<u>6,042,198</u>	<u>1,279,434</u>

### Note 18 - Revenue from Operations

Particulars	For the year ended March 31, 2015		(Amount in INR) For the year ended March 31, 2014	
Sales of Shares	15,485,723		4,213,470	
Profit from F&O trading & Non-delivery transaction	102,222	15,587,945	(10,729)	4,202,742
Sales of Goods		1,774,752		
Professional Fees received		-		200,000
Management Consultancy Fees received		1,708,084		7,629,014
Interest Received		64,834,053		105,126,047
Dividend Received		7,290,822		782,134
Long Term Capital Gain on Shares		2,546,926		2,811,038
Short Term Capital Gain on Mutual Fund		104,070		-
Rent Received		5,426,200		1,603,500
Loan Processing Fees		756,417		685,750
Reversal of Excess Provision for Asset		41,379,230		-
<b>TOTAL</b>		<u>141,408,499</u>		<u>123,040,225</u>

## Notes on Consolidated financial statements for the year ended March 31, 2015

**Note 19 - Other Income**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Misc Income	557,280	114,785
Interest received on IT Refund	608,486	-
	<u>1,165,766</u>	<u>114,785</u>

**Note 20 - Purchases**

Purchases of Shares	12,599,938	12,460,303
Purchases of Goods	1,690,240	-
Properties acquired in satisfaction of claims	35,662,395	-
<b>TOTAL</b>	<u>49,952,573</u>	<u>12,460,303</u>

**Note 21 - Changes in Inventories of Stock-in-trade**
**Inventories at the end of the year**

Shares	19,940,303	23,287,332
Properties (including transfer form Fixed Asset)	92,107,454	56,445,059

**Inventories at the beginning of the year**

Shares	23,287,332	58,453,108
Properties (including transfer form Fixed Asset)	56,445,059	56,445,059

**Net (Increase) / Decrease in Inventories**

<b>(32,315,365)</b>	<b>35,165,776</b>
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**Note 22 - Employment Benefit Expenses**

Salaries , Bonus & Allowances	10,783,925	7,397,154
Staff Welfare Expenses	362,328	263,205
<b>TOTAL</b>	<u>11,146,253</u>	<u>7,660,359</u>

**Note 23 - Financial Costs**

Interest Expenses	5,650,089	23,446,953
<b>TOTAL</b>	<u>5,650,089</u>	<u>23,446,953</u>

**Note 24 - Other Expenses**

Advertisement Expenses	136,735	345,895
Annual Listing Fees	139,627	110,428
Bad debts W/off	28,122,863	11,960,800
Charities & Donation	25,000	25,000
Custodial Fees	113,081	106,180
Demat & Share trf Expenses	16,362	87,172
Electricity Expenses	1,612,974	1,256,821
Motor Car Expenses	4,875,771	434,243
Legal & Professional Fees	34,187	3,347,762
Insurance Expenses	761,644	59,301
Rates & Taxes (Professional Tax )	2,500	2,500
Payments to Auditors :		
- Audit & Tax Audit fees	<u>100,000</u>	<u>100,000</u>
- For Other Services	-	-
Repair & Maintenance to Building	-	-
Repair & Maintenance to Other Assets	305,107	265,003
Rent , Rates & Taxes	1,870,051	960,000
Securities Transaction Tax	45,675	40,868

## Notes on Consolidated financial statements for the year ended March 31, 2015

Sundry Balance w/off	8,883	
Telephone , Telex and Postage	875,429	722,442
Travelling Expenses	5,443,200	4,033,446
Provision for Standard, Sub-Standard & Doubtful Advances	-	41,898,400
Printing & Stationery	98,365	97,577
Preliminary Expenses W/off	63,369	93,996
Right Issue Expenses W/off	550,272	550,273
Other Expenses	7,570,671	5,983,929
<b>TOTAL</b>	<b><u>52,771,767</u></b>	<b><u>72,482,036</u></b>

### Note 25 - Earnings Per Equity Share

(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	51,273,047	(32,321,974)
Add/Less: Adjustment relating to potential equity shares		
Net profit after tax attributable to equity shareholders for	<u>51,273,047</u>	<u>(32,321,974)</u>
Diluted EPS		
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	319,938,080	319,938,080
(c) Face Value per Equity Share (Rs.)	1.00	1.00
Basic EPS	0.16	-

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

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



	iv. Government Securities.....	—	—
	v. Others .....	—	—
2.	<u>Unquoted:</u>		
	i. Shares: (a) Equity.....	—	—
	(b) Preference.....	—	—
	ii. Debentures and Bonds.....	—	—
	iii. Units of mutual funds.....	—	—
	iv. Government Securities.....	—	—
	v. Others.....	—	—
	<u>Long Term Investment:</u>		
1)	<u>Quoted:</u>		
	i) Share: (a) Equity.....	262.65	286.85
	(b) Preference.....	—	—
	ii) Debentures and Bonds.....	—	—
	iii) Units of mutual funds.....	117.11	—
	iv) Government Securities.....	—	—
	v) Others – Trade able Warrants .....	—	—
	<u>1) Unquoted:</u>	—	—
	vi) Shares: (a) Equity .....	1326.01	1341.35
(b)	Preference .....	—	—
	ii). Debentures and Bonds.....	—	—
	i). Units of mutual funds .....	—	—
	i). Government Securities.....	—	—
	i). Others---Application Money.....	—	—
	<b>TOTAL.....</b>	<b>2826.24</b>	<b>2425.52</b>

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

	2014-15			2013-14		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related parties						
a) Subsidiaries .....	—	—	—	—	—	—
b) Companies in the same group ....	—	—	—	—	—	—
c) Other related parties.....	—	—	—	—	—	—
2) Other than related parties .....	4729.64	742.07	5471.71	6045.38	408,19	6453.57
<b>Total</b>	<b>4729.64</b>	<b>742.07</b>	<b>5471.71</b>	<b>6045.38</b>	<b>408,19</b>	<b>6453.57</b>

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

		<b>2014-2015</b>		<b>2013-2014</b>	
	Category	Market value/break up or fair value or NAV	Book value (Net of provisions)	Market value/break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related parties				
	a. Subsidiaries	—	—	15.34	15.34
	b. Companies in the same group	1326.01	1326.01	1326.01	1326.01
	c. Other related parties...	—	—	—	—
2.	Other than related parties...	1774.61	1500.33	1568.66	1084.17
	<b>TOTAL</b>	<b>3100.62</b>	<b>2826.24</b>	<b>2910.01</b>	<b>2425.52</b>

**(8) Other information**

		<b>2014-15</b>	<b>2013-2014</b>
<b>i)</b>	<b>Gross Non-Performing Assets</b>		
(a)	Related parties.....	—	—
(b)	Other than related parties .....	18.00	30.00
<b>ii)</b>	<b>Net Non-Performing Assets</b>		
(a)	Related parties.....	—	—
(b)	Other than related parties.....	18.00	30.00
iii)	Assets acquired in satisfaction of debt.....	—	—

**For and on behalf of the Board**

Sd/  
**ANIL AGRAWAL**  
 Chairman & Managing Director

Sd/-  
**BHARAT SHIROYA**  
 Whole-time Director

Sd/-  
**Ramadevi Gundeti**  
 Company Secretary



## COMFORT INTECH LIMITED

**CIN: L65921DD1994PLC001678**

**Registered Office:** 106, Avkar, Algani Nagar, Kalaria, Daman– 369210 (U.T.)

**Corporate Office :** A-301 Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai – 400064

**Contact no.** 022-28449765/28449767; **Email ID:** info@comfortintech.com

**Website:** www.comfortintech.com

### ATTENDANCE SLIP

#### TWENTY-FIRST ANNUAL GENERAL MEETING

(To be handed over at the entrance of the Meeting hall)

I hereby record my presence at the Twenty-First Annual General Meeting of the Company held on Saturday, 26th September, 2015 at 04.30 P.M. at Cidade De Daman (Hotel Sea View Pvt. Ltd.), Devka Beach, Nani Daman 396210 (U.T)

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 Signature \_\_\_\_\_

1. Only Member / Proxy holder can attend the Meeting.
2. Member / Proxy holder should bring his / her copy of the Annual report for reference at the meeting.

## COMFORT INTECH LIMITED

**CIN : L65921DD1994PLC001678**

**Registered Office:** 106, Avkar, Algani Nagar, Kalaria, Daman– 369210 (U.T.)

**Corporate Office :** A-301 Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai – 400064

**Contact no.** 022-28449765/28449767; **Email ID:** info@comfortintech.com

**Website:** www.comfortintech.com

### PROXY FORM

(Pursuant to Section 105(6) of Companies Act, 2013 and rule 19(3) of Companies  
(Management and Administration) Rules, 2014)

#### TWENTY-FIRST ANNUAL GENERAL MEETING

Name of the Member : \_\_\_\_\_

Registered Office : \_\_\_\_\_

Email : \_\_\_\_\_

DP ID: \_\_\_\_\_ Client ID: \_\_\_\_\_ Folio No. \_\_\_\_\_ No.of Shares held \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Comfort Intech Limited, hereby appoint

1. Name: \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_  
Or failing him
2. Name: \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to vote for me /us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Saturday, 26th September, 2015 at 04.30 P.M. at Cidade De Daman (Hotel Sea View Pvt. Ltd.), Devka Beach, Nani Daman 396210 (U.T) or at any adjournment thereof in respect of such resolution as are indicated below:

Resolution no.	Resolution	Optional	
	Ordinary Business	For	Against
1	To consider, approve and adopt (a) the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March 2015 together with the Directors Report and Auditor’s Report thereon; and (b) the audited consolidated Financial statement of the Company for the financial year ended 31 <sup>st</sup> March 2015.		
2	To declare the dividend on Equity Shares		
3	To appoint a Director in place of Mrs. Annu Agrawal (DIN: 00014487) who retires by rotation at this AGM and being eligible, offers herself for re-appointment.		
4	To re-appoint M/s Bansal Bansal & Co., Practicing Chartered Accountants as Statutory Auditors and fix their remuneration		
Special Business			
5	To revise the remuneration payable to Mr. Bharat Shiroya, (DIN: 00014454), Executive Director of the Company.		
6	To revise the remuneration payable to Mr. Anil Agrawal, (DIN: 00014413), Chairman & Managing Director of the Company.		
7	To keep Registers, Copies of Returns etc., at Corporate Office of the Company at Mumbai (i.e. at a place other than Registered Office).		
8	To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Member.....

Signature of Proxy holder(s).....

**Notes :**

1. This proxy form in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the notice of Annual General Meeting.
3. It is optional to put "X" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entered to vote in the manner as he/ she think appropriate.
4. Those Members who have Multiple folios with different joint holders may use copies of this attendance slip/ proxy

Affix  
Rupees  
One  
revenue  
Stamp

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



# COMFORT INTECH LIMITED

CIN : L65921DD1994PLC001678

A- 301, HETAL ARCH, OPP. NATRAJ MARKET, S.V.ROAD, MALAD (WEST), MUMBAI - 400 064

TEL NO. : 2881 1259 / 2844 9765 - 68 / 2882 5509 • FAX : 022-2889 2527

E-mail : info@comfortintech.com • URL : www.comfortintech.com

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

## FORM B

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







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

1.	Name of the Company	Comfort Intech Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit qualification	<p><b>QUALIFIED OPINION</b></p> <p>1. The company is not making any provision for Gratuity and leave encashment as the same is accounted for on payment basis. This is in Contravention of Accounting Standard 15 on Accounting for retirement benefits of employees.</p> <p>2. Reserve Bank of India vide its order dated 24th September, 2014 (vide their covering letter dated 14th October 2014) has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has given various loans on various dates during the period from 25/11/2014 to 31/03/2015 amounting to Rs. 1.70 crores to M/s Liquors India Ltd. (A Related Party) without seeking any permission from Reserve Bank of India. According to the company the same was on the basis of a contractual commitment entered into by the company prior to the intimation of cancellation of its certificate of registration).</p> <p><b>EMPHASIS OF MATTER</b></p> <p>3. There was a violation of RBI Guidelines on exposure norms in the case of one borrower where the exposure was Rs.37.34 Crores as on 31st March 2015. The owned fund of the company as on 31st March 2014 stood at Rs.86.90 crores. Therefore the single and group exposure limits of 15% and 25% worked out to Rs.13.04 crore and Rs.21.72 crore.</p>



		<p>4. Reserve Bank of India vide its order dated 24th September, 2014 has cancelled certificate of registration issued to the company to carry on the business of a Non Banking Financial Institution. The company has filed an appeal before the appellate authority for non banking finance company, Government of India against the above cancellation order.</p>
4.	Frequency of qualification	Point (1) Repetitive and remaining are First time
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report	<p><b>Management response</b></p> <p>1. As regards not making provision for retirement benefits of employees, the same has not been done in view of the meager staff strength.</p> <p>2. With respect to the various loans given to Liquors India Limited amounting to 1.70 Crores without seeking permission of the Reserve Bank of India (RBI), even after cancellation of NBFC Certificate, is due to the contractual agreement entered prior to the cancellation of the registration. Since the Contractual agreement was entered by your Company with Liquors India Limited was much before the order for cancellation of registration received by your Company and your Company had to adhere to the terms and conditions of the agreement in the normal course of Business and in continuation to the previous loans granted to Liquors India Limited and hence the loan was granted.</p> <p>3. As regards exposure norms of RBI for a single borrower, the limit has exceeded for one of the Borrower. The said exposure is secured which is more than sufficient to cover the entire amount due from the borrower and the management is confident of realizing these dues.</p> <p>4. Reserve Bank of India vide its order dated 24th September, 2014 has cancelled certificate of registration issued to the Company. Your Company has filed an appeal with the Appellate Authority, Ministry of Finance, Government of India, New-Delhi against the said RBI order. The Hearing took place on March 20, 2015 and the order is awaited from the Appellate Authority.</p>



6.	Additional comments from the board / audit committee chair	NA
7.	To be signed by -	
a	Mr. Bharat Shiroya Whole Time Director	 
b	CFO / <i>Chairman &amp; Managing Director</i>	 
c	Auditor of the Company M/s Bansal Bansal & Co. Chartered Accountants Sanjay Bansal Partner M.No. 104824	 
d	Mr. Jugal Thacker Audit Committee Chairman	