

**COMFORT COMMOTRADE LIMITED**

**ANNUAL REPORT**

**2012-2013**

**BOARD OF DIRECTORS :**

Mr. Anil Agrawal : Whole Time Director  
 Mr. Bharat Shiroya : Director  
 Mr. Anil Nevatia : Director  
 Mr. Sushil Jain : Director

**STATUTORY AUDITORS:**

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

**REGISTRARS AND TRANSFER AGENTS:**

**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**

13 AB, Samhita Warehousing Complex, 2nd Floor,  
 Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road, Sakinaka,  
 Mumbai – 400 072  
 Tel: (022) 6191 5402/(022) 6191 5404  
 Fax: (022) 6191 5444  
 E-mail: sme.ipo@shareproservices.com  
 Website: www.shareproservices.com

**BANKERS:**

Union Bank of India

**REGISTERED OFFICE:**

A-301, Hetal Arch,  
 S. V. Road, Malad (West),  
 Mumbai – 400 064,  
**Tel:** +91-22-2844 9765,  
**Fax:** +91-22-2889 2527  
**E-Mail:** ipo-commtrade@comfortsecurities.co.in;  
**Website:** www.comfortcommtrade.com

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## **NOTICE**

**NOTICE** is hereby given that the SIXTH ANNUAL GENERAL MEETING of COMFORT COMMOTRADE LIMITED will be held at the Registered Office of the Company situated at A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064 on Saturday, 28<sup>th</sup> September, 2013 at 11.00 A.M to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Sushil Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s Bansal Bansal & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

**By Order of the Board**

**Place :** Mumbai  
**Dated :** 17.08.2013

**Sd/-**  
**Anil Agrawal**  
**Whole Time Director**

### **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 IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2013 to 28<sup>th</sup> September 2013 (both the days inclusive.)
4. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
5. 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.

6. Brief Profile of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
7. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.

**8. 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.

**By Order of the Board**

**Place :** Mumbai  
**Dated :** 17.08.2013

**Sd/-**  
**Anil Agrawal**  
**Whole Time Director**

**Registered Office:**

A-301 Hetal Arch,  
S.V.Road,  
Malad (West),  
Mumbai-400064

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT :**

Name : Mr. Sushil Jain  
Age : 53 years  
Qualification : B.Com, C.A. Inter, L.L.B. (Gen.)  
Brief Profile : He is Working as financial consultant since last 22 years.  
Shareholding in the Company : Nil



## DIRECTORS' REPORT

To the Members of the Company,

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

### FINANCIAL RESULTS:

(Rs. In Lacs)

PARTICULARS	YEAR ENDED 31 <sup>ST</sup> MARCH 2013	YEAR ENDED 31 <sup>ST</sup> MARCH 2012
Income from Operations	44.51	55.01
<b>Profit Before Depreciation and Taxes</b>	<b>24.83</b>	<b>30.95</b>
Less: Depreciation	2.66	0.48
Less : Provision for		
(a) Income tax	9.54	9.33
(b) Deferred tax	1.12	0.88
Income Tax paid of Earlier years	0.43	
<b>Profit for the Year</b>	<b>11.08</b>	<b>20.26</b>

### FINANCIAL HIGHLIGHTS:

- Income from operations stood at Rs.44.51 Lacs for fiscal 2013
- Profit before Tax for fiscal 2013 is Rs. 22.16 Lacs
- Profit After Tax for fiscal 2013 is Rs. 11.08 Lacs
- Basic earning per share for fiscal 2013 was Rs. 0.15 per share

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Sushil Jain, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-2013 and of the profit and loss of the Company for the period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

### STATUTORY AUDITORS:

The retiring auditors, namely M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and are seeking re-appointment. Members are requested to consider their re-appointment. They have confirmed that their appointment if made, at the Annual General Meeting, will be within the

limits prescribed under sub section (1B) of Section 224 of the Companies Act, 1956. Members are requested to consider their re-appointment.

**INITIAL PUBLIC OFFER:**

During the year your Company raised Rs.6,00,00,000/- by way of Initial public Offer by issue of 60,00,000 shares of Rs. 10/- each at price of Rs. 10/- per share. The shares of your Company are listed on SME Platform of BSE Limited.

**UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFER:**

The statement of projected utilization of the Initial Public Offer proceeds as per Prospectus dated 16<sup>th</sup> August, 2012 against actual utilization as on 31<sup>st</sup> March, 2013 is as follows:

(Rs. in Lacs)

<b>Proceeds of Initial Public Offer</b>		<b>600.00</b>
<b>Objects of the Initial Public Offer</b>	<b>Proposed Utilization of Initial Public Offer Proceeds</b>	<b>Actual Utilization of Initial Public Offer 2012-2013</b>
Expanding our business operations	660.00	467.02
Enhancement of margin money maintained with the exchanges	150.00	25.47
General corporate purpose	50.00	--
Issue Expenses	50.00	29.67
Total proposed utilisation of issue proceeds	910.00	--
Less: Internal Accruals	310.00	--
IPO funds	600.00	
Total Deployment of Funds till 31st March, 2013	--	522.16
Balance amount to be utilized lying in bank accounts or invested in liquid mutual fund -	--	77.84
Interim Deployment of Unutilized funds : Invested in units of FMP's or Liquid Mutual Funds	--	77.84

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

The Management Discussion and Analysis for the year 2012-13 and a detailed report on Corporate Governance, as required under Clause 52 of the Listing agreement (BSE-SME) executed with the Stock Exchange, 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 52 is annexed to the report on Corporate Governance.

**FIXED DEPOSITS:**

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

**PARTICULARS OF EMPOLYEES UNDER SECTION 217(2A):**

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

**LISTING:**

The Equity Shares of the Company are at presently listed with the SME Platform of BSE Limited. The company is regular in payment of listing fee.



**CASH FLOW STATEMENT:**

In conformity with the provisions of Clause 34 of the Listing agreement (BSE-SME) and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2013 is annexed here to.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

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

**ACKNOWLEDGEMENT:**

Your directors place on record their gratitude for the continued co-operation and guidance extended by the Securities and Exchange Board of India, MCX, NCDEX and 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.

**FOR AND ON BEHALF OF THE BOARD**

**Place :** Mumbai  
**Dated :** 17.08.2013

**Sd/-**  
**ANIL AGRAWAL**  
**WHOLE TIME DIRECTOR**

**ANNEXURE-1 TO DIRECTORS' REPORT:**

ENERGY CONSERVATION	:	NA
TECHNOLOGY OBSERVATION	:	NA

**FOREIGN EXCHANGE EARNINGS AND OUT GO:**

	<u>Amount in Rs.</u>
Foreign exchange used	Nil
Foreign exchange earned	Nil

## REPORT ON CORPORATE GOVERNANCE

### 1. 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 relationship with all our stakeholders reflect our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust and support all our stakeholders.

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

#### **CLAUSE 52**

Clause 52 of the Listing Agreement (BSE-SME) entered between a company and the Stock Exchange (BSE-SME) is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 52 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 52 but we constantly strive to adopt the emerging best practices.

Corporate Governance has always been an integral and indispensable practice at Comfort in conducting its business for more than 5 (five) 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 75% of the total composition of the Board.
- Out of the four directors on the Board, two 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 Whole Time Director plays a very vital role in the implementation of the best corporate governance processes. He ensures that the Board procedures are followed and reviewed regularly. He 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 Whole Time Director.

## 2. BOARD OF DIRECTORS (“THE BOARD”):

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

### COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31.03.2013:

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of four Members. The Company has one “Executive” and three “Non-Executive Directors.”

Mr. Anil Agrawal	- Whole Time Director & Promoter
Mr. Bharat Shiroya	- Non-Executive Director & Non Independent
Mr. Sushil Jain	- Non-Executive Director & Independent
Mr. Anilkumar Nevatia	- Non-Executive Director & Independent

All the Independent Directors have confirmed to the Company that they qualify to be an independent director as per the definition of ‘Independent Director’ stipulated in Clause 52(l)(A)(iii) of the Listing Agreement(BSE-SME). It is the practice of the company to place such confirmation before the Board at its meeting.

#### A) Brief Profile of Directors

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

- I. **Mr. Anil Beniprasad Agrawal**, aged 51, is Whole Time Director of our Company. He is a Chartered Accountant and qualified Cost and Works Accountant from ICAI and ICWAI. He has more than 27 years of experience in the field of finance, capital markets, business advisory and related activities. He is one of the trustees of Seth Govindaram Charitable Trust which carries on charitable activities in Mumbai. The Board has the advantage of his wide experience in the financial services field. He is responsible for overall management of business of our Company. He has been a part of management of our Company since incorporation and he is designated as Whole Time Promoter Director of our Company since 24.02.2012.

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

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

Mr. Anil B Agrawal held 16,05,000 equity shares in the Company as on March 31, 2013.

- II. **Mr. Bharat Shiroya**, aged 43 years is Non- Executive-Non-Independent Director of our Company. He is a graduate and M.B.A from National Institute of Management. He has more than 17 years of experience in securities and financial services. He is also qualified for derivatives trading in stock exchange and possesses a diploma for the same. He has been designated as Director of our Company since 2007.

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

- Comfort Securities Limited

- Comfort Fincap Limited
- Comfort Intech Limited
- Liquors India Limited

Mr. Bharat N Shiroya held 1,30,500 equity shares in the Company as on March 31, 2013.

**III Mr. Anilkumar Shivkaran Nevatia**, aged 49 years is an Independent Director of our Company. He has completed his graduation in commerce and is a fellow member of ICAI. He is a practicing Chartered Accountant since 1988. He has more than 25 years of experience in the field of commerce, finance, audit and taxation. As an Independent Director of our Company and Chartered Accountant by profession, he brings value addition to the Company. He has been designated as Independent Director of our Company since 16th April, 2012.

Mr. Anilkumar Shivkaran Nevatia is on the Board of the following other public company:

- Comfort Fincap Limited

Mr. Anilkumar Shivkaran Nevatia does not hold any equity shares in the Company as on March 31, 2013.

**IV. Mr. Sushil K. Jain**, aged 52 years is an Independent Director of our Company. He is a Bachelor of Commerce and L.L.B. (Gen) and has successfully passed intermediate course of Chartered Accountants from ICAI. He is a financial consultant since last 21 years. He has been designated as Independent Director of our Company since 16th April, 2012.

Mr. Sushil K. Jain is on the Board of the following other public companies:

- Comfort Securities Limited
- Comfort Fincap Limited

Mr. Sushil K. Jain, does not hold any equity shares in the Company as on March 31, 2013.

Mr. Sushil K. Jain is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

#### **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 eleven board meetings. The maximum time-gap between any two consecutive meetings did not exceed four months.

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

The employee, in consultation with the Director and other relevant officers prepares the detailed agenda for the meetings.

The meetings of the Board of Directors are generally held at the registered office of the Company.

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

The following information as enumerated in Annexure 1A to Clause 52 of the Listing Agreement (BSE-SME) is placed before the Board at its meetings.

- Annual operating plans and budgets, capital budgets and updates, if any.
- Half yearly results of operating divisions or business segments.
- Minutes of meetings of audit and shareholder's grievance committees.
- Non compliance, if any of regulatory, statutory or listing requirements as well as investor services.

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



During the year ended 31st March 2013, Eleven (11) Board Meetings were held on the following dates :  
2<sup>nd</sup> April, 2012, 10<sup>th</sup> April, 2012, 16<sup>th</sup> April, 2012, 24<sup>th</sup> April, 2012, 22<sup>nd</sup> May, 2012, 26<sup>th</sup> June, 2012, 4<sup>th</sup> August, 2012, 16<sup>th</sup> August, 2012, 18<sup>th</sup> September, 2012, 8<sup>th</sup> November, 2012 and 2<sup>nd</sup> March, 2013.

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

Name of Director	Category of Directorship	Attendance at		*No. of Directorships	Committee	
		Board Meeting	Last AGM		Positions Member	Chairman
Mr. Anil Agrawal	Promoter & Whole Time Director	11	Yes	6	6	--
Mr. Bharat Shiroya	Non-Executive & Non Independent Director	11	Yes	5	1	1
Mr. Sushil Jain	Independent Director	8	Yes	3	3	1
Mr. Anilkumar Nevatia	Independent Director	8	Yes	2	1	2

\* Mrs. Annu Agrawal and Mr. Amitkumar Khemka resigned from the post of Directorship and Mr. Sushil Jain & Mr. Anilkumar Nevatia was appointed as Independent Director with effect from 16<sup>th</sup> April, 2012.

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

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 52) across all companies in which they are Directors.

**D) CODE OF CONDUCT:**

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

**3. BOARD COMMITTEES:**

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

- I) Audit Committee
- II) Shareholder's Grievance Committee

**I) AUDIT COMMITTEE:**

**A. Composition:**

The Audit Committee comprises of three Directors, namely

Names of Directors	Category
Mr. Anilkumar Shivkaran Nevatia	Chairman- Non- Executive and Independent
Mr. Sushil K. Jain	Member - Non- Executive and Independent
Mr. Anil Agrawal	Member - Executive and Non Independent

**B. Role of Audit Committee**

The role of the audit committee is as follows:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

**C. Audit committee Meetings and Attendance:**

The Committee has met four (4) times during the financial year ended 31<sup>st</sup> March 2013

i.e. on 25<sup>th</sup> June, 2012, 3<sup>rd</sup> August, 2012, 7<sup>th</sup> November 2012 and 1<sup>st</sup> March, 2013.

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

Name of the Director	Position	Meeting attendance
Mr. Anilkumar Shivkaran Nevatia	Chairman	4
Mr. Sushil K. Jain	Member	4
Mrs. Anil Agrawal	Member	4



**II. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:**

**A. The Shareholders'/Investors Grievance Committee comprises of three Directors, namely;**

<b>Names of Directors</b>	<b>Category</b>
Mr. Bharat Shiroya	Chairman Non- Executive and non-Independent
Mr. Sushil K. Jain	Non- Executive and Independent
Mrs. Anil Agrawal	Executive and Non- Independent

**B. Role of Shareholders/Investors Grievance Committee**

The Shareholders / Investors Grievance Committee of our Board looks into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

**C. Composition and attendance:**

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

<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Meeting attendance</b>
Mr. Bharat N Shiroya	Chairman	Non Independent & Non Executive Director	4
Mr. Sushil K. Jain	Member	Independent & non Executive Director	4
Mr. Anil B Agrawal	Member	Non Independent & Executive Director	4

**D. Information on Investor Grievances for the period from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March 2013:**

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

**E. Compliance Officer:**

Mr. Raghav Jadhav is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreement with the BSE-SME.

**4. GENERAL BODY MEETINGS:**

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

**Annual General Meetings:**

<b>YEAR</b>	<b>LOCATION</b>	<b>DATE</b>	<b>TIME</b>	<b>Nature of Special Resolution if any passed</b>
2009-2010	A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	23 <sup>rd</sup> September, 2010	4.00 P.M	Nil
2010-2011	A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	9 <sup>th</sup> August, 2011	4.00 P.M	Nil
2011-2012	A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	6 <sup>th</sup> August, 2012	11.00 A.M	Nil

**B. Extraordinary General Meetings:**

Three Extraordinary General Meetings conducted during the Financial Year 2012-13.

LOCATION	DATE	TIME
A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	10 <sup>th</sup> April, 2012	10.00 A.M
A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	25 <sup>th</sup> April, 2012	11.00 A.M
A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064	28 <sup>th</sup> May, 2012	11.00 A.M

**5. OTHER DISCLOSURES:**

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

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

**6. MEANS OF COMMUNICATION:**

A. half yearly Financial Results were submitted to BSE Limited (SME) and displayed on the website of the Company during the financial year as follows:

Financial Result	Un-Audited / Audited* *
Half year	Un-Audited
Full year	Audited

\* The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within 45 days of half year and communicated these results to the Stock Exchange where the shares of the Company are listed and put on Company's website [www.comfortcommotrade.com](http://www.comfortcommotrade.com)

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

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

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

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

Day, Date and Time : Saturday, 28<sup>th</sup> September, 2013 at 11.00 a m  
Venue : A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064

**(ii) Financial Calendar 2013-14 (Tentative)**

Results for the half year ending 30<sup>th</sup> Sep, 2013: Second week of November 2013  
Results for the year ending 31<sup>st</sup> March, 2013: Last week of May 2014

**(iii) Book Closure Date** : 24-09-2013 to 28-09-2013  
(Both the days inclusive)

**(iv) Registered Office** : A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064

**(v) Equity shares listed on** : SME Platform of BSE Limited

**Stock Exchange at**

Note: The Annual listing fees as prescribed has been paid to the Stock Exchange where shares are listed upto 31<sup>st</sup> March, 2014.

**(vi) Stock Code**

Trading Symbol at : **BSE Limited (SME)**  
**534691 CCL**

Demat ISIN Number in : **Equity Shares INE456N01019**  
**NSDL & CDSL**



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

Period	High (Rs.)	Low (Rs.)
September 2012	11.85	10.1
October 2012	25.65	11.35
November 2012	18.2	15.75
December 2012	17.2	16
January 2013	17.55	17.55
February 2013	26	19.25
March 2013	29.9	24.75

Note : The Company Shares are listed on SME platform of BSE Limited with effect from 27<sup>th</sup> September 2012

**(viii) Registrars and Transfer Agents:**

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

Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai – 400 072

**(ix) SHARE TRASFER SYSTEM**

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

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 50C of the Listing Agreement (BSE-SME) and files a copy of the certificate with BSE limited.

**(x) DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH 2013.**

Range of Shareholding (Rs.)	No. of Shareholders	% of Total	Share Amount Rs.	% of Total
1-5000	0	0.00	0	0.00
5001-10000	0	0.00	0	0.00
10001-20000	0	0.00	0	0.00
20001-30000	0	0.00	0	0.00
30001-40000	0	0.00	0	0.00
40001-50000	0	0.00	0	0.00
50001-100000	63	26.47	6300000	6.29
100001 and above	175	73.53	93900000	93.71
<b>Total</b>	<b>238</b>	<b>100.00</b>	<b>100200000</b>	<b>100.00</b>

**(xi) Shareholding Pattern (Category Wise) as on 31<sup>st</sup> March 2013:**

Category	No. of Shares	Percentage
Promoters	4020000	40.12
Mutual Funds / UTI & Banks	---	---
Private Corporate Bodies	490000	4.89
Resident Individuals	5510000	54.99
NRIs / FIIs	---	---
Clearing Members	---	---
<b>Total :</b>	<b>10020000</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 2013)**

S.No.	Name of Shareholder	No.of Shares	Shares as % of total no.of shares
1.	Vinay Gupta	190000	1.90
2.	Seema Gupta	160000	1.60
3.	Vikas Vinodkumar Agarwal	130000	1.30
4.	Yashvardhan Shrikant Agarwal	130000	1.30
5.	Rajendrra Agrawal	100000	1.00
6.	Rutvik Utkarsh Mehta	90000	0.90
7.	Vinay S Gupta	90000	0.90
8.	Reena Amol Chokhani	90000	0.90
9.	Ashok Kumar B Chhajjer	90000	0.90
10.	Amol Kumar Chokhani	90000	0.90
	<b>TOTAL</b>	<b>1160000</b>	<b>11.58</b>

**(xiii) DEMATERIALISATION OF SHARES:**

100.00% of the Equity Shares have been dematerialized upto 31<sup>st</sup> March, 2013.

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).

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

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED

13 AB, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Mumbai – 400 072

**Any query on Annual Report: COMFORT COMMOTRADE LIMITED**  
A-301, Hetal Arch,  
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 COMMOTRADE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Comfort Commotrade Limited for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 52 of listing agreement (BSE-SME) of the said Company with stock exchange.

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 (BSE-SME).

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

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

For **BANSAL & BANSAL & CO**  
**Chartered Accountants**

Sd/-  
**Jatin Bansal**  
**Partner**

**Place :** Mumbai

**Dated :** 17.08.2013

## CEO/CFO CERTIFICATION

To,

The Board of Directors

**COMFORT COMMOTRADE LIMITED**

Mumbai

Dear Sirs,

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

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

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

We have indicated to the auditors that:

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

**Sd/-  
ANIL AGRAWAL  
Whole Time Director**

**Place :** Mumbai

**Date :** 17.08.2013



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **ABOUT THE INDUSTRY:**

#### **Overview**

#### **The Indian Economy**

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Fact book). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services and software workers. In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. Merchandise exports, which account for about 15% of GDP, returned to pre-financial crisis levels. An industrial expansion and high food prices, resulting from the combined effects of the weak 2009 monsoon and inefficiencies in the government's food distribution system, fueled inflation which peaked at about 11% in the first half of 2010, but has gradually decreased to single digits following a series of central bank interest rate hikes. In 2010 New Delhi reduced subsidies for fuel and fertilizers, sold a small percentage of its shares in some state-owned enterprises and auctioned off rights to radio bandwidth for 3G telecommunications in part to lower the government's deficit. The Indian Government seeks to hold its budget deficit to 5.5% of GDP in FY 2010-11, down from 6.8% in the previous fiscal year. India's long term challenges include widespread poverty, inadequate physical and social infrastructure, limited nonagricultural employment opportunities, insufficient access to quality basic and higher education, and accommodating rural-to-urban migration.

(<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>)

Futures contracts are derivative products that provide means for hedging and asset allocation and are prevalent in nearly all sectors of the global economy. The asset underlying futures contracts could be a physical asset (such as an agricultural commodity) or a financial asset (such as interest rates, foreign exchange products and stock indices). A commodity (as traded on an exchange) is an undifferentiated product whose market value arises from the owner's right to sell the product rather than the right to use the product. Examples of commodities currently traded globally on exchanges include crude oil, gold, copper and various agricultural products such as wheat, corn and soybeans.

Commodity futures contracts are commitments to make or accept delivery of a specified quantity and quality of a commodity at a set time in the future for a price established at the time the commitment is made. The buyer agrees to take delivery of the underlying commodity, while the seller agrees to make delivery. In practice, futures markets are rarely used to actually buy or sell the physical commodity being traded and only a small number of contracts traded worldwide each year result in delivery of the underlying commodity. Instead, traders generally offset (a buyer will liquidate by selling the contract, the seller will liquidate by buying back the contract) their futures positions before their contracts mature. Commodity futures contracts are primarily made available through a centralised trading or computerised matching process, with bids and offers on each contract traded publicly. Through this process, a prevailing futures market price is reached for each commodity futures contract, based primarily on the laws of anticipated supply and demand. Many markets abroad also offer trading in options contracts in commodities. Options are contracts that provide the buyer the right and the seller the obligation to buy or sell, respectively, a futures contract at a certain price for a limited period of time. Under the current Indian regulations, we are not permitted to offer trading in commodity options.

Commodities traded on commodity futures exchanges are required to be delivered near the specified contract expiry date, depending on the delivery option, and at the fixed settlement price (due date rate), ignoring all changes in the market prices. As such, trading in commodity futures allows hedging to protect against serious losses in a rising or declining

market, speculation for gain in a rising or declining market and utilising the arbitrage opportunities available. For example, a seller may enter into a futures contract agreeing to deliver grain in two months at a set price. Even if the grain market declines at the end of two months, the seller will still get the higher price specified in the futures contract. If the market rises, however, the buyer stands to gain by paying the lower contract price for the grain and reselling it at the higher market price. For a dealer, manufacturer or exporter who is not generally interested in speculative losses or gains, his only interest is to ensure that he gets the necessary protection against unforeseen fluctuations in prices. Therefore the futures market provides such hedging protection to the various stakeholders in the commodities industry.

Like other futures contracts, commodity futures contracts are traded in standardised units in a transparent, competitive, continuous open floor-based trading or electronic matching process. In this way, commodity futures are able to attract diverse participation and facilitate price discovery. An effective and efficient market for trading in commodity futures requires the following:

- volatility in the prices of the underlying commodities;
- large numbers of buyers and sellers with diverse profiles (e.g., hedgers and speculators);
- fungibility of the underlying physical commodities;
- efficient and liquid exchange platform; and
- robust risk management and surveillance system.

#### **The Global Commodity Futures Market**

There are over 30 commodity futures and options exchanges worldwide that trade commodities ranging from energy, metals, agriculture to livestock in many countries including the United States, China, Japan, Malaysia and the United Kingdom. (Source: Futures Industry Association (FIA), FI magazine September 2011 (FIA Report)). Some of the commodity futures and option exchanges in the FIA Report are group exchanges, which comprise several individual exchanges that form part of those group exchanges.) The commodity exchanges trade in physical commodity products, as well as in financial instruments. Trading is mostly done in futures and options contracts. Spot trading calls for immediate delivery of a specified commodity and is often used to obtain the goods necessary to fulfill a seller's delivery obligations under futures contracts. According to the FIA Report, strong levels of growth were seen in the trading volume of commodity futures and options, especially those relating to nonprecious metals, agricultural, energy and precious metals commodities. The trading volume of futures and options contracts of non-precious metals decreased by 37.7% to 190.37 million for the six months ended June 30, 2011 as compared to the six months ended June 30, 2010, while the trading volume of futures and options contracts of agricultural commodities decreased by 9.1 % to 529.59 million contracts during the same period. The trading volume of futures and options contracts of precious metals rose by 49.8% to 127.49 million contracts between the same period and that of futures and options contracts of energy products rose by 16.0% to 416.24 million contracts for the same period.

#### **ABOUT THE COMFORT COMMOTRADE LIMITED:**

##### **Business Overview:**

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai.

We are currently engaged in the business of commodity broking. We are members of MCX and NCDEX. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

#### **OUR COMPETITIVE STRENGTHS**

##### **Leveraging the experience of our Promoters**

Our Promoters Mr. Anil Agrawal and Mrs. Annu Agrawal have collectively more than twenty seven years of experience in the field of capital market including business advisory, capital Market transactions, research, broking and merchant banking. During this tenure they have developed good client base, technical capability & contributed in the growth of our Company and our group companies.



### **Experienced management team and a motivated and efficient work force**

Our Company is managed by a team of experienced and professional personnel having knowledge of all aspects of marketing, finance and broking. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

### **SWOT**

#### **Strengths**

- Experienced Promoters and management team
- Cordial relationship with Customers

#### **Weaknesses**

- Limited geographical coverage
- Dependent upon growth in Commodity broking industry
- Dependence upon existing customers for our business

#### **Opportunities**

- Establishment of market in neighboring states
- Potential to increase the business in the existing facility

#### **Threats**

- Industry is prone to change in government policies
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

### **FINANCIAL PERFORMANCE:**

During the fiscal 2013, the gross operational income of the Company was Rs. 44.51 Lacs as compared to previous fiscal of Rs. 55.01 Lacs. Profit after tax for the fiscal 2013 declined at Rs. 11.08 lacs as compared to the previous year 20.26 lacs.

The net worth of your company at the year end stands at Rs. 1056.18 Lacs which translated to a book value of Rs. 10.45 per share of face value of Rs. 10.

### **Financial Highlights:**

- Income from operation stood at Rs. 44.51 Lacs for fiscal 2013
- Profit Before Taxes of fiscal 2013 was Rs. 22.16 Lacs.
- Profit After Taxes of fiscal 2013 was Rs. 11.08 Lacs
- Basic Earning per share for fiscal 2013 was Rs. 0.15 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at Rs. 70.54 Lacs as on March 31,2013
- Net Worth of company stood at Rs. 1056.18 Lacs as on March 31,2013

We are currently engaged in the business of commodity broking. We are the member of MCX and NCDEX. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY:**

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

### **CAUTIONARY:**

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

## Independent Auditor's Report

To the Members of  
**Comfort Commotrade Limited.**  
**Report on the Financial Statements**

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

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause of Section 274(1)(g) of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**Sd/-**  
**Jatin Basnal**  
**Partner**  
**Membership No.: 135399**

**Place :** Mumbai  
**Date :** 30<sup>th</sup> May, 2013



## **Annexure to Independent Auditor's Report**

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

1. In respect of its Fixed Assets
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of its inventories: the company does not have any inventories.
3.
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5.
  - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of any party during the year.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9.
  - (a) According to the records of the company, undisputed statutory dues including Income Tax, Service Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues except for payment of profession tax of Rs 9,875/- as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a bank.
12. According to the information and explanations given to us, the Company has maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in its own name.
15. According to the information and explanations given to us, the Company has given guarantee of Rs.75,00,000/- for loan taken by others from a bank or financial institution.
16. The company has not obtained any term loan during the year. Accordingly this clause is not applicable to the company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has raised Rs.6,00,00,000/- by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

**Sd/-  
Jatin Basnal  
Partner  
Membership No.: 135399**

**Place : Mumbai  
Date : 30<sup>th</sup> May, 2013**





**BALANCE SHEET AS AT MARCH 31, 2013**

Particulars	Note No.	As at March 31, 2013	(Amount in INR)	
			As at March 31, 2012	
<b>I Equity &amp; Liabilities</b>				
1. Shareholders' funds				
(a) Share Capital	2	100,200,000	13,400,000	
(b) Reserves and Surplus	3	5,418,383	31,110,508	
(c) Money received against share warrants		-	-	
		<b>105,618,383</b>		<b>44,510,508</b>
2. Share application money pending allotment		-	-	-
<b>3. Non - Current Liabilities</b>				
(a) Long -Term Borrowings		-	-	
(b) Deferred Tax Liabilities (Net)	4	160,259	48,283	
(c) Other Long - Term Liabilities		-	-	
(d) Long - Term Provisions		-	-	
		<b>160,259</b>		<b>48,283</b>
<b>4. Current Liabilities</b>				
(a) Short - Term Borrowings	5	365,306	-	
(b) Trade Payables	6	4,766,361	5,923,200	
(c) Other Current Liabilities	7	538,047	317,329	
(d) Short - Term Provisions	8	953,800	1,244,766	
		<b>6,623,513</b>		<b>7,485,296</b>
<b>TOTAL</b>		<b><u>112,402,155</u></b>		<b><u>52,044,087</u></b>
<b>II Assets</b>				
1. Non - Current Assets				
(a) Fixed Assets	9			
(i) Tangible Assets		979,921	274,246	
(ii) Intangible Assets		1,800,000	2,000,000	
(iii) Capital Work-in-Progress		-	-	
(b) Non - Current Investments	10	7,783,570	3,200,000	
(c) Long - Term Loans and Advances	11	91,401,945	3,487,800	
(d) Other Non - Current Assets	12	935,039	1,192,964	
		<b>102,900,475</b>		<b>10,155,010</b>
2. Current Assets				
(a) Inventories		-	-	
(b) Trade Receivables	13	239,511	817,137	
(c) Cash and Cash equivalents	14	7,053,993	39,283,155	
(d) Short - Term Loans and Advances	15	1,532,541	1,387,926	
(e) Other Current Assets	16	675,636	400,860	
		<b>9,501,680</b>		<b>41,889,078</b>
<b>TOTAL</b>		<b><u>112,402,155</u></b>		<b><u>52,044,087</u></b>
Significant Accounting Policies	1			

As per our report of even date

**For Bansal Bansal & Co.**

**Chartered Accountants**

FRN : 100986W

**Sd/-**

**Jatin Bansal**

**Partner**

M. No. 135399

**Place : Mumbai**

**Date : 30th May, 2013**

**For & on behalf of the Board**

**Sd/-**

**Anil Agarwal**

**Whole Time Director**

**Sd/-**

**Bharat Shiroya**

**Director**

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

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I Revenue from Operations	17	4,450,683	5,501,433
II Other Income	18	<u>4,960,811</u>	<u>992,273</u>
III Total Revenue (I + II)		9,411,494	6,493,706
IV Expenses			
Employee Benefits Expenses	19	873,619	548,710
Finance Costs	20	8,929	1,067
Depreciation and Amortization Expense	9	266,311	47,634
Other Expenses	21	<u>6,046,046</u>	<u>2,848,824</u>
Total Expense		<u>7,194,905</u>	<u>3,446,235</u>
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		2,216,589	3,047,471
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V-VI)		2,216,589	3,047,471
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		2,216,589	3,047,471
X Tax Expense:			
(a) Current Tax		953,800	933,290
(b) Deferred Tax		111,976	87,824
(c) Tax of Earlier Year		42,938	-
(d) MAT Credit Entitlement		<u>-</u>	<u>-</u>
		1,108,714	1,021,114
XI Profit for the Period from Continuing Operations (IX - X)		<u>1,107,874</u>	<u>2,026,357</u>
XII Profit/(Loss) for the Period from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		-	-
XV Profit for the Period (XI + XIV)		<u>1,107,874</u>	<u>2,026,357</u>
XVI Earnings Per Equity Share (Face Value Rs. 10/- Per Share):	22		
Basic (Rs.)		0.15	0.67
Significant Accounting Policies	1		

As per our report of even date

**For Bansal Bansal & Co.****Chartered Accountants**

FRN : 100986W

**Sd/-****Jatin Bansal****Partner**

M. No. 135399

**Place : Mumbai****Date : 30th May, 2013****For & on behalf of the Board****Sd/-****Anil Agarwal****Whole Time Director****Sd/-****Bharat Shiroya****Director**



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

(Amount in INR)

	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	2,216,589	3,047,471
Adjustments for :		
Interest Paid	8,929	1,067
Depreciation	266,311	47,634
Misc. Expenses w/off	257,925	25,081
Operating Profit before Working Capital change	2,749,753	3,121,253
Adjustments for :		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	-	-
Trade receivables	577,626	(417,773)
Short-term loans and advances	(478,226)	-
Long-term loans and advances	(87,914,145)	-
Other current assets	(274,776)	(140,102)
Other non-current assets	-	-
	(88,089,522)	(557,875)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(1,156,840)	4,150,683
Other current liabilities	220,717	513,074
Other long-term liabilities	-	-
Short-term provisions	-	-
Long-term provisions	-	-
	(936,123)	4,663,757
Cash Generated From Operations	(86,275,891)	7,227,135
Income Tax paid	642,616	1,118,373
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>(86,918,507)</b>	<b>6,108,762</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments (Purchased)/Sold	(4,583,570)	(3,200,000)
Fixed Assets (Purchased)/Sold	(771,986)	(145,315)
Rent Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>(5,355,556)</b>	<b>(3,345,315)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Capital	60,000,000	10,000,000
Share Premium	-	22,000,000

	Year ended 31st March, 2013	Year ended 31st March, 2012
	(Amount in INR)	
Dividend Paid	(311,476)	(39,647)
Loan taken / (Repaid) in Secured Loan	365,306	-
Preliminary Expenses Paid	-	(557,000)
Interest paid	<u>(8,929)</u>	<u>(1,067)</u>
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b><u>60,044,901</u></b>	<b><u>31,402,286</u></b>
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	(32,229,162)	34,165,733
Cash and Cash Equivalents -- Opening Balance	39,283,155	5,117,422
Cash and Cash Equivalents -- Closing Balance	<u>7,053,993</u>	<u>39,283,155</u>
	<u>(0)</u>	<u>0</u>

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

As per our report of even date

**For Bansal Bansal & Co.**

**Chartered Accountants**

FRN : 100986W

**Sd/-**

**Jatin Bansal**

**Partner**

M. No. 135399

**Place :** Mumbai

**Date :** 30th May, 2013

**For & on behalf of the Board**

**Sd/-**

**Anil Agarwal**

**Whole Time Director**

**Sd/-**

**Bharat Shiroya**

**Director**



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

**NOTE - 1**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013:**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. 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 provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

**2. Use of Estimates:**

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

**3. Accounting of Income/Expenditure:**

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

**4. Investments:**

Investments in Shares / Mutual Funds are stated at cost.

**5. 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 on Straight Line Method at the rates prescribed under Schedule XIV of the companies Act, 1956.
- iii. Depreciation on fixed Assets purchased or sold during the year is provided on pro-rata basis with reference to the date of addition/deletion.
- iv. Membership Fee of MCX is amortised over a period of ten years

**6. Taxation:**

Provision for income tax has been made in accordance with normal provisions of Income Tax, 1961. The deferred tax for timing differenced 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.

**7. 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.

**8. Preliminary Expenses**

Preliminary expenses are amortised over a period of five years.

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

### Note 2 - Share Capital

(a) Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
<b>Authorised :</b>		
1,10,50,000 Equity Shares (Previous Year 81,00,000) of Rs. 10/- each	110,500,000	81,000,000
<b>TOTAL</b>	<u>110,500,000</u>	<u>81,000,000</u>
<b>Issued, Subscribed and Paid-up :</b>		
1,00,20,000 Equity Shares (Previous Year 13,40,000) of Rs. 10/- each	100,200,000	13,400,000
<b>TOTAL</b>	<u>100,200,000</u>	<u>13,400,000</u>

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2013, no dividend has been declared by the Company.
- ii) On receipt of shareholders' approval in EGM held on 25th April, 2012, the Company has increased its authorised share capital from Rs. 8,10,00,000/- (Rupees Eight Crore Ten Lacs) to Rs. 10,10,00,000/- (Rupees Ten Crore Ten Lacs) & has altered its Memorandum & Articles of Association accordingly.
- iii) On receipt of shareholders' approval in EGM held on 06th August, 2012, the Company has further increased its authorised share capital from Rs. 10,10,00,000/- (Rupees Ten Crore Ten Lacs) to Rs. 11,05,00,000/- (Rupees Eleven Crore Five Lacs) & has altered its Memorandum & Articles of Association accordingly.
- iv) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(c) **Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :**

Particulars	As at March 31, 2013	As at March 31, 2012
Number of shares at the beginning of the year	1,340,000	340,000
Add: Issue of Shares during the year		
No. of shares allotted as fully paid-up during the year	6,000,000	<u>1,000,000</u>
No. of shares allotted as fully paid by way of Bonus		
Shares during the year	<u>2,680,000</u>	- 1,000,000
No. of shares at the end of the year	<u>10,020,000</u>	<u>1,340,000</u>



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

**(d) Aggregate details for five immediately previous reporting periods for each class of shares**

Particulars	As at March 31, 2013		As at March 31, 2012	
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-		-	
- No. of shares allotted as fully paid by way of Bonus Shares	2,680,000		-	
- No. of shares bought back	-		-	

**(e) Details of shareholders holding more than 5% shares in the company**

No. of Shares held by	As at March 31, 2013		As at March 31, 2012	
	Nos.	%	Nos.	%
Anil Agarwal	1,605,000	16.02%	535,000	39.93%
Annu Agarwal	-	-	150,000	11.19%
Comfort Intech Ltd	1,200,000	11.98%	400,000	29.85%
Ankur Agarwal	-	-	136,500	10.19%

**(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.**

The company does not have any such contract / commitment as on reporting date.

**(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.**

The company does not have any securities convertible into shares as on reporting date.

**Note 3 - Reserves & Surplus**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
<b>(i) Securities Premium Account</b>		
As per last Balance Sheet	28,975,000	6,975,000
Add: On shares issued during the year	-	22,000,000
Less: Utilised during the year for issuing Bonus Shares	<u>26,800,000</u>	<u>-</u>
	2,175,000	28,975,000
<b>(ii) Surplus in the Profit &amp; Loss Account</b>		
As per last Balance Sheet	2,135,508	420,627
Add: Profit for the year	<u>1,107,874</u>	<u>2,026,357</u>
Amount available for appropriations	3,243,383	2,446,984
Appropriations:		
Add: Transferred from reserves	-	-
Less: Transferred to General reserve	-	-
Proposed dividend	-	(268,000)
Corporate Dividend Tax	-	(43,476)
	<u>3,243,383</u>	<u>(311,476)</u>
<b>TOTAL</b>	<b><u>5,418,383</u></b>	<b><u>31,110,508</u></b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****Note 4 - Deffered Tax Liabilities**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
<b>Deffered Tax Liabilities</b>	160,259	48,283
(Timing difference on account of depreciation)		
	<u>160,259</u>	<u>48,283</u>

**Note 5 - Short Term Borrowings**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand		
From banks		
Secured (against FDR)	365,306	-
Unsecured	-	-
	<u>365,306</u>	<u>-</u>

**Note 6 - Trade Payables**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Current payables (including acceptances) outstanding for less than 12 months	4,766,361	5,923,200
	<u>4,766,361</u>	<u>5,923,200</u>

**Note 7 - Other Current Liabilities**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Other Payables	332,266	127,582
Margin Deposit of Clients	205,780	189,747
<b>TOTAL</b>	<u>538,047</u>	<u>317,329</u>

**Note 8 - Short-Term Provisions**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Provision for Taxation	953,800	933,290
Provision for Proposed Dividend	-	268,000
Provision for Tax on Proposed Dividend	-	43,476
<b>TOTAL</b>	<u>953,800</u>	<u>1,244,766</u>





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

**Note : 9 Fixed Assets**

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block		
			As At 31/03/2012	Addition during the year	Deduction during the year	As At 31/03/2013	As At 31/03/2012	Addition during the year	Deduction during the year	As At 31/03/2013	WDV as on 31/03/2012
	<u>Tangible Assets</u>										
1	Computer & Software	16.21%	404,115	-	-	404,115	129,869	65,507	195,376	208,739	274,246
2	Motor Car	9.50%	-	771,986	-	771,986	-	804	804	771,182	-
	<b>SUB TOTAL (A)</b>		404,115	771,986	-	1,176,101	129,869	66,311	196,180	979,921	274,246
	<u>Intangible Assets</u>										
1	MCX Membership Fees	10%	2,000,000	-	-	2,000,000	-	200,000	200,000	1,800,000	2,000,000
	<b>SUB TOTAL (B)</b>		2,000,000	-	-	2,000,000	-	200,000	200,000	1,800,000	2,000,000
	<b>Total [A + B ] (Current Year)</b>		2,404,115	771,986	-	3,176,101	129,869	266,311	396,180	2,779,921	2,274,246
	<b>(Previous Year)</b>		2,258,800	145,315	-	2,404,115	82,235	47,634	129,869	2,274,246	2,176,565

**NOTE - 10**

**Non- Current Investments**

(Amount in Rs.)

Particulars	Units	31.03.2013		31.03.2012	
		Cost As on	FMV As on	Cost As on	FMV As on
UTI - Money Market Fund	-	-	-	3,200,000	3,242,419
UTI - Treasury Advantage Fund	4,868.4160	7,379,191	7,709,050	-	-
Reliance Liquid Fund- Treasury Plan	143.8350	404,379	411,058	-	-
<b>TOTAL</b>	<b>5,012.2510</b>	<b>7,783,570</b>	<b>8,120,108</b>	<b>3,200,000</b>	<b>3,242,419</b>

Notes

- Aggregate amount of Quoted Investment
- Aggregate Market Value of Quoted Investment

Current Year Previous Year

- |           |           |
|-----------|-----------|
| 7,783,570 | 3,200,000 |
| 8,120,108 | 3,242,419 |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****Note 11 - Long Term Loans & Advances**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
(a) Deposit with NCDEX	1,500,000	1,500,000
(b) Deposit with MCX	2,087,800	1,987,800
(c) Capital Advances	87,814,145	-
	<u>91,401,945</u>	<u>3,487,800</u>

**Note 12 - Other Non Current Assets**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Miscellaneous Expenditure to the extent not w/off	1,192,964	661,045
Add: During the year	-	557,000
Less: W/off during the year	<u>257,925</u>	<u>25,081</u>
	<u>935,039</u>	<u>1,192,964</u>
	<u>935,039</u>	<u>1,192,964</u>

**Note 13 - Trade Receivables**

(a) Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
(i) Due for a period exceeding six months		
- Unsecured, considered good	170,312	11,533
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
	170,312	11,533
(ii) Others		
- Unsecured, considered good	69,199	805,603
- Doubtful	-	-
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
	69,199	805,603
<b>TOTAL</b>	<u>239,511</u>	<u>817,137</u>

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

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
(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 14 - Cash & Cash equivalents**

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Cash & Cash Equivalents		
(i) Balances with Banks :		
- Current Accounts	154,665	33,019,205
- Fixed Deposit	<u>6,320,740</u>	<u>6,029,761</u>
	6,475,405	39,048,966
(ii) Cash-in-hand	578,587	234,189
<b>TOTAL</b>	<u>7,053,993</u>	<u>39,283,155</u>



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

### Note 15 - Short Term Loans & Advances

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
(i) Security deposits		
Secured, considered good	300,000	-
Unsecured, considered good	-	-
Doubtful	-	-
(ii) Prepaid Expenses	274,791	96,565
(iii) Advance Income Tax and TDS - Unsecured, considered good	957,749	1,291,361
<b>TOTAL</b>	<b>1,532,541</b>	<b>1,387,926</b>

### Note 16 - Other Current Assets

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
Interest accrued on Fixed Deposits	625,636	350,860
Advance Transaction Charges	50,000	50,000
<b>TOTAL</b>	<b>675,636</b>	<b>400,860</b>

### Note 17 - Revenue from Operations

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Brokerage Income	4,364,058	2,962,007
Profit from F&O Trading and Non Delivery Transactions	-	2,515,800
Account opening Charges	23,125	23,626
AMC Charges	63,500	-
	86,625	23,626
<b>TOTAL</b>	<b>4,450,683</b>	<b>5,501,433</b>

### Note 18 - Other Income

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest on FD	604,981	463,468
Income from Mutual Fund	182,352	-
Dividend from Mutual Fund	1,021,004	-
Interest on IT Refund	-	1,078
Other Interest	2,948,270	-
Miscellaneous Income	204,204	527,727
<b>TOTAL</b>	<b>4,960,811</b>	<b>992,273</b>

### Note 19 - Employee Benefit Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Salary & Bonus	873,619	548,710
<b>TOTAL</b>	<b>873,619</b>	<b>548,710</b>

### Note 20 - Finance Costs

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expenses	8,929	1,067
<b>TOTAL</b>	<b>8,929</b>	<b>1,067</b>

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

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

## Note 21 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Annual Subscription fees	131,000	75,000
Advertisement Expenses	127,526	-
Annual Listing Fees	25,000	-
Annual Custodial Fees	49,200	-
Bank Charges & Commission	202,976	144,715
Conveyance Expenses	11,620	-
Commission & Brokerage Paid	1,354,128	1,682,950
Demat Charges	18,169	19,402
General Expenses	58,553	22,190
Insurance Expenses	9,318	13,319
Legal & Professional Fees	2,677,099	10,796
Leaseline Charges	63,343	38,344
Miscellaneous Expenses	3,701	35,750
Postage & Courier Expenses	95,957	-
Printing & Stationery	233,223	18,375
NCDEX Fees	4,496	-
Repair & Maintenance	61,318	82,867
ROC Fees	268,581	-
Rent Expenses	114,000	-
Payments to Auditors :		
- Audit fees	50,000	25,000
- Tax Audit fees	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	-	-
Sundry Balances W-off	218,913	311,598
Trading Expense	-	343,437
Website Expenses	10,000	-
Preliminary Expenses written off	257,925	25,081
<b>TOTAL</b>	<b><u>6,046,046</u></b>	<b><u>2,848,824</u></b>

## Note 22 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Net profit after tax attributable to equity shareholders for Basic EPS	1,107,874	2,026,357
Add/Less: Adjustment relating to potential equity shares		-
Net profit after tax attributable to equity shareholders for Diluted EPS	1,107,874	2,026,357
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	7,225,479	3,025,464
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	0.15	0.67



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

### Note 23 - Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	(Amount in INR)	
	As at March 31, 2013	As at March 31, 2012
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	-	-
(ii) Guarantees	7,500,000	7,500,000
(iii) Other contingent liabilities	-	-
<b>(A)</b>	<b>7,500,000</b>	<b>7,500,000</b>
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account not provided for	-	-
(ii) Uncalled liabilities on share and other investments partly paid up	-	-
(iii) Others commitments	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A + B)</b>	<b><u>7,500,000</u></b>	<b><u>7,500,000</u></b>

### 24. Auditors' Remuneration

	2012-2013	2011-2012
For Audit Fees	Rs. 50,000	Rs 25,000
	<u>Rs. 50,000</u>	<u>Rs. 25,000</u>

### 25. Foreign Currency Transactions:

Earning / Expenditure in foreign currency Rs. Nil (P.Y. Rs. Nil)

### 26. Earnings per Share:

	2012-2013	2011-2012
Basic & Diluted	Rs. 0.15	Rs. 0.67

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

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

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

**Parties where control exists:** Nil

**Parties with whom transaction have taken place during the year.**

A. Name of the related parties & description of relationship

- |    |  |   |  |
|----|--|---|--|
| a) | Key Managerial Personnel and their enterprises | : | Shri Anil Kumar Nevatia (Director)<br>Shri Bharat Shiroya (Director)<br>Shri Anil Agrawal (Whole Time Director)<br>Anil Agrawal –HUF<br>(HUF of Mr. Anil Agrawal, Director)<br>Shri Sushil Kasturchand Jain (Director) |
| b) | Relative of Key Managerial Personnel           | : | N.A.   |
| c) | Associates                                     | : | Comfort Securities Limited   |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****B. Transactions during the year with related parties:-**

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates
A	Rent Paid	1,14,000		
B	Demat Charges Paid			994

**30. Deferred Tax**

In accordance with Accounting standard AS -22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a net deferred tax liability of Rs. 1,11,976/- as on 31<sup>ST</sup> March, 2013. (Previous Year 87,824/-).

A	LIABILITY	Current Year	Previous Year
	WDV as per companies Act : Rs. 27,79,921	1,60,259	48,238
	WDV as per Income Tax Act: Rs. 22,61,283		
B	ASSETS	Nil	Nil
	<b>Net Deferred Tax Liability (A-B)</b>	<b>1,60,259</b>	<b>48,238</b>

**32. 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.

31. During the current financial year i.e. FY 2012-13, Company has issued 26,80,000 Equity Shares of face value of Rs. 10/- by way of Bonus Issue making total subscribed, issued and paid up equity share capital to Rs. 4,02,00,000/- divided into 40,20,000 equity shares of Rs. 10/- each.

32. During the current financial year i.e. FY 2012-13, Company has issued 60,00,000 Equity Shares of face value of Rs. 10/- at an issue price of Rs. 10/- per Equity Share by way of Initial Public Offer making total subscribed, issued and paid up equity share capital to Rs. 10,02,00,000/- divided into 1,00,20,000 equity shares of Rs. 10/- each.

**34. The utilisation of IPO proceeds**

	(Rs. In Lacs)
<b>Amount received from IPO (A)</b>	600.00
Deployment of Funds received from IPO :	
Issue Expenses	29.67
Expansion of Business Operation	467.02
Enhancement of margin money maintained with the exchanges	25.47
<b>Total Deployment of Funds till 31st March, 2013 (B)</b>	<b>522.16</b>
<b>Balance amount to be utilized lying in bank accounts or invested in liquid mutual fund (A-B)</b>	<b>77.84</b>
Interim Deployment of Unutilized funds :	
Invested in units of FMP's or Liquid Mutual Funds	77.84

35. 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.

As per our report of even date

**For Bansal Bansal & Co.**

**Chartered Accountants**

FRN : 100986W

**Sd/-**

**Jatin Bansal**

**Partner**

M. No. 135399

**Place : Mumbai**

**Date : 30th May, 2013**

**For & on behalf of the Board**

**Sd/-**

**Anil Agarwal**

**Whole Time Director**

**Sd/-**

**Bharat Shiroya**

**Director**



# COMFORT COMMOTRADE LIMITED

Registered Office: A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai – 400 064,

## PROXY FORM

I/We \_\_\_\_\_ S/o, w/o, d/o \_\_\_\_\_

residing at \_\_\_\_\_

\_\_\_\_\_ being a member/member(s) of Comfort Commotrade Limited,

hereby appoint Mr./Mrs. \_\_\_\_\_ residing at \_\_\_\_\_

\_\_\_\_\_ or of failing him/her

Mr./Ms. \_\_\_\_\_ residing at \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the SIXTH Annual General Meeting of the Company to be held on Saturday, 28th September, 2013 at 11.00 A.M at A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400 064 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix Re. 1/-  
Revenue  
Stamp

Signature  
(Please sign across the Stamp)

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

# COMFORT COMMOTRADE LIMITED

Registered Office: A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai – 400 064,

## ATTENDANCE SLIP

I hereby record my presence at the SIXTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, 28th September, 2013 at 11.00 A.M at A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400 064 and at any adjournment thereof.

Full name of the Member (in BLOCK LETTERS) : \_\_\_\_\_

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

Full name of Proxy (in BLOCK LETTERS) : \_\_\_\_\_

\_\_\_\_\_  
Member's / Proxy's Signature

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



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# COMFORT COMMOTRADE LIMITED

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Email: info@comfortsecurities.co.in • URL: www.comfortcommotrade.com

## FORM A

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

**Ref : listing agreement (SME Platform of BSE Limited)**

1.	Name of the Company	Comfort Commotrade Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit qualification	Un-qualified
4.	Frequency of qualification	N.A.
5.	To be signed by -	
a	Anil Agrawal Whole Time Director/CFO	 
b	Bharat Shiroya Non-Executive Director	 
c	Auditor of the Company Bansal Bansal and Co. Chartered Accountants Jatin Bansal Partner M.No. 135399	 
d	Anil Kumar Nevatia Audit Committee Chairman	