



COMFORT FINCAP LIMITED

(Formerly Parasnath Textiles Limited)

Corporate Office :- A-301, HETAL ARCH, OPP. NATRAJ MARKET, S.V. ROAD, MALAD (WEST), MUMBAI - 400064;
TEL NO.: 2844 9765 / 02282 55 09 / 2881 12 59; FAX : 022-2889 2527
E-mail : info@comfortfincap.com ; URL : www.comfortfincap.com

Regd.Office : 22, Block B, Camac Street, Kolkata - 700 016.
CIN NO : L65923WB1982PLC035441

Date: October 05, 2020

To, The Manager Department of Corporate Services, BSE Limited, Phirozee Jeejeeboy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: 535267	To, The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata, West Bengal – 700001 Scrip Code: 26078
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Sub: Notice of the 38th Annual General Meeting (AGM) and Annual Report 2019-20

Dear Sirs/Madam,

In compliance with and Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) please find enclosed the Notice convening the 38th AGM of shareholders and the Annual Report for the Financial Year 2019-20. This is circulated to the shareholders through electronic mode. The 38th AGM of the Company will be held on Tuesday, October 27, 2020 at 2.30 P.M. IST through Video Conferencing / Other Audio Visual Means.

We are submitting herewith the Annual Report of the Company along with the Notice of AGM for the Financial Year 2019-20 which is being sent through electronic mode to the Members and the same will be made available on the Company’s website <http://www.comfortfincap.com/Investorrelation>

Thanking you,

Yours faithfully,

FOR COMFORT FINCAP LIMITED

S. Mandelia
SNEHA MANDELIA
COMPANY SECRETARY
CC:



National Securities Depository Limited Trade World, A Wing , 4 th Floor, Kamala Mills Compound , Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Tel: 91 22 24994200 Fax:91 22 24976351	Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai -400013.	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059, Maharashtra, India Phone No: 022-6263 8200, Fax No. : 022-6263 8299 Email Id: info@bigshareonline.com Website: www.bigshareonline.com
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COMFORT FINCAP LIMITED

38TH ANNUAL REPORT 2019-20



Board of Directors

Mr. Ankur Agrawal	: Executive Director
Mr. Devendra Lal Thakur	: Non-Executive & Independent Director;
Mr. Milin Ramani	: Non-Executive & Independent Director;
Ms. Divya Padhiyar	: Additional Woman Director (w.e.f. October 30, 2019) (Non-Executive & Independent Director);
Mrs. Nirmala Kanjar	: Chief Financial Officer
Mr. Bharat Shiroya	: Chief Executive Officer (w.e.f. June 29, 2019)

CIN: L65923WB1982PLC035441

Registered Office

22, Camac Street, Block 'B', Ground Floor,
Behind Pantaloons, Kolkata, West Bengal, 700016

Corporate Office

A-301, Hetal Arch, Opp. Natraj Market,
S. V. Road, Malad (West), Mumbai 400064
Tel: 91-22-68948508/09
Fax: 91-22-28892527
Email: info@comfortfincap.com
Website: www.comfortfincap.com

Registrars and Share Transfer Agents

M/s. Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai - 400059
Tel: 022-62638200 Fax: 022-62638299
Website : www.bigshareonline.com
Email ID: investor@bigshareonline.com

Bankers

Union Bank of India
IDBI Bank

Statutory Auditors

A. R. Sodha & Co., Chartered Accountants.

Internal Auditors

Siddhant Shah & Co., Chartered Accountants.

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38th Annual General Meeting through Video Conferencing ("VC")/Other Audio Visual

Day & Date	Tuesday, October 27, 2020
Time	2.30 P.M.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMFORT FINCAP LIMITED WILL BE HELD ON TUESDAY, OCTOBER 27, 2020 AT 02.30 P.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditor's thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Auditor's thereon.

2. To appoint a Director in place of Mr. Ankur Agrawal (DIN: 06408167), who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

3. To appoint Ms. Divya Padhiyar (DIN:08598655), as Non-Executive Independent Director of the Company to hold office for a term of 5 consecutive years i.e. from October 30, 2019 to October 29, 2024

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), and based on the recommendation and approval of Nomination and Remuneration Committee and Board of Directors of the Company respectively, Ms. Divya Padhiyar (DIN:08598655), who was appointed as Additional Director and who meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years i.e. from October 30, 2019 to October 29, 2024 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary be and is hereby authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds, matters and things, as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

4. To approve and Ratify the Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("the Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject

to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed/to be passed at their respective meetings, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to ratify/ approve all the material related party transactions (including any modifications, alterations or amendments thereto) entered into/ to be entered into by the Company during FY 2019-20, FY 2020-21 and thereafter in the ordinary course of business and on arm's length basis with related Party/ies within the meaning of the Act and Listing Regulations, as per below framework:

Name of the Related Party	Comfort Intech Limited	Comfort Commotrade Limited	Luharuka Commotrade Private Limited	Luharuka Investment & Consultant Private Limited	Luharuka Sales & Services Private Limited	Flora Fountain Properties Limited	Deepika Agrawal
Name of the Director or Key Managerial Personnel who is/ may be related	Mr. Ankur Agrawal						
Nature of Relationship	Common Directors						Related to Mr. Ankur Agrawal, Director of the Company.
Nature and particulars of the contract / arrangement	Related Party Transactions in the nature of providing of loan(s) / business advance to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by entities, being entities under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2(b) of Section 185 of Companies Act, 2013						
Material terms of the contract / arrangement	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.						
Monetary value of the contract / arrangement for							
FY 2019-20	-	Rs. 5 Crore	Rs. 1 Crore	Rs. 3 Crore	Rs. 4 Crore	-	Rs. 4 Crore
FY 2020-21 and onwards	Rs. 25 Crore	Rs. 10 Crore	Rs. 5 Crore	Rs. 5 Crore	Rs. 5 Crore	15 Crore	Rs. 10 Crore
The indicative base price or current contracted price and the formula for variation in the price, if any	Prices are basis on arm's length having reference of market price however remains static for the contracted quantity and delivery period.						
Any other information relevant or important for the members to take a decision on the proposed resolution	None						

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution , the Board / any Committee thereof be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board / any Committee thereof is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

5. To consider and approve for creation of Security on the properties of the Company, both present and future, in favour of Lenders

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

“RESOLVED THAT in supersession of all previous resolutions passed by the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Articles of Association of the Company and as recommended by the Audit Committee and Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to maximum upto Rs. 3,00,00,00,000/- (Rupees Three Hundred Crores Only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

6. To consider and approve borrowing money(ies) for the purpose of business of the company

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

“RESOLVED THAT in supersession of all previous resolutions passed by the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as recommended by Audit Committee and Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, any sum of money, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or

international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining undischarged at any given time, will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount upto which money may be borrowed by the Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of Rs. 3,00,00,00,000/- (Rupees Three Hundred Crores Only) and / or in equivalent foreign currency;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020

PLACE : MUMBAI

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out material facts concerning the business to be transacted at the ensuing Annual General Meeting (AGM) under item nos. 3 and 4 is annexed hereto.
2. A brief resume of each of the Director proposed to be appointed at this AGM, nature of their expertise in specific functional areas, names of Companies in which they hold the Directorship and Membership /Chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulation) and other requisite information as per Secretarial Standard-2 on General Meetings, are attached herewith.
3. The Company's Statutory Auditors, M/s. A. R. Sodha & Co. Chartered Accountants, Chartered Accountants (Firm Registration No. FRN 110324W), were appointed as Statutory Auditors of the Company for a period of 5 consecutive years till the conclusion of the 40th AGM, subject to ratification by members every year.

Pursuant to the provisions Section 139 of the Act, and the Companies (Amendment) Act, 2018 effective from 7 May, 2018, the requirement of seeking ratification from the members for the continuation of re-appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of the members for continuing the re-appointment of the Statutory Auditors at this AGM is not being sought. M/s. A. R. Sodha & Co. Chartered Accountants, Chartered Accountants (Firm Registration No. FRN 110324W) have given a confirmation and consent under Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The Board of Directors based on the recommendation of the Audit Committee shall determine the remuneration payable to the Statutory Auditors.

4. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. In case of joint holders attending the meeting through VC / OAVM, only such joint holder who is higher in the order of names will be entitled to vote.
7. Institutional / Corporate Members (ie other than Individuals/HUF/NRI) etc are required to send the scanned copy of the Board Resolution (pdf or jpg format) authorizing their representatives to attend the meeting through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address to ramavenigalla@gmail.com with a copy marked to evoting@nsdl.co.in.
8. Book Closure: The Register of Members and Share Transfer Books of the Company shall remain closed on October 20, 2020 for the purpose of the Annual General Meeting.
9. Transfer of Unclaimed Dividend Amount and Shares to the Investor Education and Protection fund (IEPF) Authority:

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), the Company will be transferring the dividend and the shares to the IEPF Authority for its Dividend Account of the financial year 2012-13 which is due in 2020. The Company has sent individual correspondence to the shareholders and has published an newspaper advertisement for claiming the unpaid/ unclaimed dividend in respect of which dividend has not been en-cashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their unpaid/unclaimed Dividend to avoid the transfer to IEPF Authority.

Members who have not yet en-cashed their Final Dividends from financial year 2012-13 and 2013-14 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The members / claimants whose shares and / or, unclaimed dividend, etc. have been transferred to IEPF Authority may claim the shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules. It is in the members interest to claim any un-en-cashed dividends from IEPF and for future dematerialization of their shares and opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are credited to the investor's account on time.

10. Share Transfer Permitted only in Demat: Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30 November, 2018, it is advised that transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1 April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, members holding shares in physical form are requested to take action to dematerialise the Equity Shares, promptly to avoid inconvenience in future.

11. Members are requested to join the Company in supporting the Green Initiative taken by Ministry of Corporate Affairs ("MCA") to effect electronic delivery of documents to the members at the E-mail addresses registered for the said purpose. Members are hereby requested to register their E-mail addresses with their Depository Participant or with Bigshare Services Pvt. Ltd, Registrar and Share Transfer Agent (RTA) of the Company, for sending various Notices, Dividend intimation and other documents through Electronic Mode. Those members who have changed their E-mail Addresses are requested to register their E-mail ID / New Addresses with RTA, in case the shares are held in physical form and with the Depository Participants where shares are held in Demat mode.
12. Pursuant to the SEBI Listing Regulations, the Company is required to maintain Bank details of its members for the purpose of payment of Dividends, etc. Members are requested to register / update their Bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialised mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.
13. All the relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (From Monday to Friday) during the business hours up to the date of AGM.
14. The Members, desiring any information relating to the Accounts, are requested to write to the Company at the Corporate Office of the Company, to enable us to keep the requisite information ready.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and the Register of Contracts or Arrangements, in which the Directors are interested maintained under Section 189 of the Act, will be available for inspection during the AGM.
16. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8 February, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he / she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10% or more. The beneficial interest could be in the form of a Company's shares or the right to exercise significant influence or control over the Company. If any members holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website – www.comfortfincap.com and website of the Stock Exchange – BSE Ltd – www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC / OAVM facility only.
18. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

19. Process and Manner of E-voting:

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the Members, the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.

The remote e-voting period commences on October 23, 2020 (9:00 A.M. IST) and ends on October 26, 2020 (5:00 P.M. IST). During this period, Members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date October 21, 2020, may cast their vote by remote e- voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The Members, who has not cast their vote by remote e-voting, shall vote through e-voting system in the AGM.

The Company has appointed Mrs. Ramadevi Satish Venigalla, Proprietor of M/s. Ramadevi Satish Venigalla and Associates, Practicing Company Secretaries, to act as a Scrutinizer, to scrutinize the entire voting process in a fair and transparent manner. The members desiring to vote through Remote E-voting are requested to refer to the detailed procedure given hereinafter.

20. Procedure for Remote E-voting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.**
- 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.**
- 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.**

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ramavenigalla@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request atevoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the Depositories / Company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a. In case shares are held in physical mode please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@bigshareonline.com
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in.

Instructions for Members for e-voting on the day of the AGM are as under:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members / shareholders, who will be present in the AGM through VC / OAVM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Shareholder / Member's login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
- vi. Members can join the AGM in the VC / OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those Members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated

COMFORT FINCAP LIMITED

Annual Report 2019-2020

scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- ix. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.comfortfincap.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange – BSE Ltd, where the shares of the Company are listed.

Additional information on Directors recommended for Appointment [Pursuant to Regulation 36(3) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings] Item No. 2 & 3

Particulars	Mr. Ankur Agrawal	Ms. Divya Padhiyar
DIN	06408167	08598655
Date of Birth	23/11/1990	31/03/1995
Age (in years)	30 Years	25 years
Date of Appointment	June 29, 2019	October 30, 2019
Nationality	Indian	Indian
Qualification	Mr. Ankur Agrawal is a fellow member of ICAI and CFA. He also holds a degree of family MBA from Indian School of Business	Ms. Divya Padhiyar is an Associate Member of the Institute of Company Secretaries of India (ICSI).
Expertise in specific Functional Area	He has more than 8 years of post qualification work experience in the field of Commerce, Finance, Audit and Accounts.	She has sound experience in the field of secretarial and other regulatory compliances.
Directorships held in other public companies (excluding private, foreign companies and Section 8 companies)	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Comfort Fincap Limited 4. Liquors India Limited 5. Flora Fountain Properties Limited 6. Comfort Intech Limited	1. Comfort Commotrade Limited (Additional Director) 2. Comfort Fincap Limited (Additional Director) 3. Comfort Intech Limited (Additional Director) 4. Relcon InfraProjects Limited
Shareholding in the Company as on March 31, 2020	Nil	Nil

Particulars	Mr. Ankur Agrawal	Ms. Divya Padhiyar
Memberships/ Chairmanships of Committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Comfort Intech Limited <ul style="list-style-type: none"> Audit Committee - Member Stakeholder Relationship Committee - Member Corporate Social Responsibility Committee- Chairman Comfort Commotrade Limited <ul style="list-style-type: none"> Audit Committee - Member Nomination & Remuneration Committee - Member Stakeholder Relationship Committee -Chairman Luharuka Media & Infra Limited <ul style="list-style-type: none"> Audit Committee- Member Stakeholder Relationship Committee - Member Comfort Fincap Limited <ul style="list-style-type: none"> Audit Committee- Member Stakeholder Relationship Committee - Member 	Comfort Intech Limited <ul style="list-style-type: none"> Audit Committee - Member Stakeholder Relationship Committee - Member Nomination & Remuneration Committee - Member Corporate Social Responsibility Committee-Member Comfort Commotrade Limited <ul style="list-style-type: none"> Audit Committee- Member Stakeholder Relationship Committee - Member Nomination & Remuneration Committee - Member Comfort Fincap Limited <ul style="list-style-type: none"> Audit Committee - Member Stakeholder Relationship Committee - Member Nomination & Remuneration Committee - Member
No. of Board Meeting attended during the year of the Company	During the financial year ended on March 31, 2020, Mr. Ankur Agrawal attended Three Board Meeting of the Company.	During the financial year ended on March 31, 2020, Ms. Divya has attended One Board Meeting of the Company held on February 06, 2020.
Disclosure of relationship between Directors inter-se	Mr. Ankur Anil Agrawal is the son of Mr. Anil Beniprasad Agrawal - Chief Executive Officer of the Company	None
Key Terms and Conditions of the appointment	As per the Item No. 2 of this Notice, i.e. retirement by rotaion.	As per the Resolution at Item no. 3 of this Notice read with the explanatory statement thereto
Remuneration last drawn	Only sitting fees for the Meeting attended was paid.	Since the Director is a Non-Executive Director of the Company, only sitting fees for the Meeting attended was paid.
Remuneration sought to be paid	Only sitting fees and the commission, if any would be payable to him	Since the Director is a Non-Executive Director of the Company, only sitting fees and the commission, if any would be payable to her

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020
PLACE : MUMBAI

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") read with applicable rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 had appointed Ms. Divya Padhiyar (DIN: 08598655) as an Additional Director in the capacity of an Independent Director to office upto the date of the Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Ms. Divya Padhiyar as Independent Director of the Company.

The Company has received from Ms. Divya Padhiyar:

- (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) a declaration to the effect that they meet the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Divya Padhiyar as Independent Directors is now being placed before the Members for their approval.

All the relevant documents for the appointment of Ms. Divya Padhiyar as Independent Directors of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 1:00 pm on all working day, (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting.

A brief profile of Ms. Divya Padhiyar to be appointed as Independent Director is given in the table appearing before the explanatory statement.

Except Ms. Divya Padhiyar, being the appointee, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the Resolution set out above.

Your Board recommends the said resolution as special resolution for approval of the members.

ITEM NO. 4

Your Company generally enters into transaction with related parties as prescribed in the table of resolution no. 4 in ordinary course of business and at arm's length basis, which would fall in the definition of "Related Parties" under the Companies Act, 2013 ("the Act") and/or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') exempts a company from obtaining consent of the Board of Directors and the members in case the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis.

However, Regulation 23 of the Listing Regulations requires approval of the members through a resolution for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis, if the same is not exempt under Regulation 23(5) of the Listing Regulations. For this purpose, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

Your Company had entered into related transactions falling under the category of material related party transaction requiring shareholders' approval. Further, your Company may have to enter into similar material related party transactions in future requiring shareholders' approval, the framework of which has been recommended by the Audit Committee and approved by the Board of Directors of the Company in the text of the resolution proposed in the Notice.

All the material related party transactions entered/to be entered into by the Company (for which members approval is being sought) are/would be on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained/would be obtained, wherever required.

Information required to be given in the explanatory statement pursuant to Rule 15 of Rules forms part of the resolution.

Shareholders' approval by way of a Special Resolution is therefore sought for the resolution set out in this Notice in terms of Regulation 23 of the Listing Regulations.

Except Mr. Ankur Agrawal, along with their relatives, none of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives may be concerned or interested (financially or otherwise) in the Resolution.

The Board recommends the Special Resolution as set out at item No. 4 for the approval of the Shareholders.

ITEM NO. 5 & 6

Keeping in view the existing and future financial requirements to support its business operations, the Company may need additional funds. The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder. The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of it's authorised Committee of the Company from time to time, in consultation with the lender(s). It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 5 and Item No. 6 of the Notice, to enable the Board of Directors to borrow money upto Rs. 300 Crores (Rupees Three Hundred Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

The Board recommends the Special Resolution as set out at item No. 5 & 6 for the approval of the Shareholders.

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020
PLACE : MUMBAI

DIRECTOR'S REPORT

To the Members of the Company,

Your Directors have great pleasure in presenting the 38th Annual Report on the business and operations of your Company together with Audited Financial Statements for the year ended 31st March, 2020. The summary of Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2020 is summarized below:

1) HIGHLIGHTS OF CONSOLIDATED AND STANDALONE FINANCIAL RESULTS:

(Rs in Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operations	578.87	738.77	578.87	738.77
Other operating Income	1.98	3.82	1.98	3.82
Total Revenue	580.85	742.60	580.85	742.60
Total Expenditure	392.05	353.09	392.05	353.09
Profit before Tax	188.80	389.50	188.80	389.50
Current Tax Expenses	127.71	108.13	127.71	108.13
Deferred Tax	(62.68)	7.87	(62.68)	7.87
Tax of earlier years	(0.08)	(4.62)	(0.08)	(4.62)
Profit for the Year	123.86	278.13	123.86	278.13
Earnings Per Share (EPS)	1.14	2.56	1.14	2.56

2) FINANCIAL PERFORMANCE

On a Consolidated basis, the Company registered a revenue from operations of Rs. 578.87 lakhs for the year ended March 31, 2020 as compared to Rs. 738.77 lakhs in the previous financial year ended March 31, 2019. The Net profit stood at Rs. 123.86 lakhs for the year ended March 31, 2020 as compared to the profit of Rs. 278.13 lakhs in the previous financial year ended March 31, 2019. Further details are included in notes to Accounts of Consolidated Financial Statement.

On a Standalone basis, the Company registered a revenue from operations of Rs. 578.87 lakhs for the year ended March 31, 2020 as compared to Rs. 738.77 lakhs in the previous financial year ended March 31, 2019. The Net profit stood at Rs. 123.86 lakhs for the year ended March 31, 2020 as compared to the profit of Rs. 278.13 lakhs in the previous financial year ended March 31, 2019. Further details are included in notes to Accounts of Standalone Financial Statement.

The Consolidated and Standalone Financial Statements of the Company for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of the Companies Act, 2013 which have been reviewed by the Statutory Auditors. The Company is submitting the quarterly / half yearly / annual financial results on both Standalone and Consolidated basis.

During the period under review the following events occurred which is likely to have impact of the operations of the Company:

- There were no material changes and commitments occurred during the financial year except the resignation of Mr. Anil Agrawal, Mr. Bharat Shiroya, Mr. Jugal Thacker, Mrs. Annu Agrawal - Director(s) of the Company w.e.f. June 29, 2019 due to the SEBI order dated March 12, 2019 (WTM/GM/EFD/99/2018-19) which stated that they shall not hold position as director in any listed Company for the period of 3 years w.e.f. July 01, 2019.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Consolidated and Standalone Financial Statements are available on the website of the Company at web link www.comfortfincap.com. Any member who is interested in obtaining a copy of the Annual Report may write to the Company at the Corporate Office of the Company. Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis, which forms part of this Annual report.

3) COVID-19

In the last month of financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs whole economic activity throughout the Country. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally.

During the ongoing COVID-19 pandemic, our offices have been fumigated / disinfected regularly. Work from home (WFH) has been enabled for a large number of employees; only for critical processes, a limited staff has worked at offices following all the guidelines prescribed by the relevant authorities. These guidelines included temperature checks at entry points, compulsory social distancing, wearing of masks, hand sanitizer stations, regular sanitization of high-touch surfaces like table tops, mouse, keyboard, staircase railings, lift buttons etc.; re-arranging of canteen seats, assigning workstations in such a way that social distancing is observed even while working; providing pick-up and drop in sanitized vehicles, etc. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, the Company has made Disclosure of material impact of COVID-19 pandemic to the Stock Exchange.

4) DIVIDEND

In order to conserve cash resources to face the challenges and the contingencies created by COVID19 pandemic, the Board of Directors have not recommended any dividend on equity shares for the year ended on March 31, 2020.

5) TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS AND CONCERNED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (including any statutory modification(s) and / or reenactment(s) thereof for the time being in force), the Company will be transferring the dividend and the shares to the IEPF Authority for its Dividend Account of the financial year 2012-13. The Company will be sending individual correspondence to the shareholders and newspaper advertisement for claiming the un-paid/unclaimed dividend in respect of which dividend has not been en-cashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their un-paid/unclaimed to avoid the transfer to IEPF Authority.

Members who have not yet en-cashed their Final Dividends from financial year 2012-13 and 2013-14 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence

6) SHARE CAPITAL & LISTING

During the year under review, there was no change in share capital of the Company. The paid-up Equity Share Capital of the Company as on March 31, 2020 was Rs 10,85,13,000. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options during the Financial Year 2019-20.

7) TRANSFER TO RESERVES

There was no amount from statement of profit or loss, which was transferred to General Reserves during the year under review. The closing balance of the retained earnings of the Company for F.Y. 2020, after all appropriation and adjustments was Rs. 2571.38 lakhs.

8) LISTING WITH THE STOCK EXCHANGES

Your Company's equity shares are listed on The BSE Limited. Annual listing fees for the Financial Year 2019-20 and 2020-21 have been paid to BSE Limited. The Status of Listing of the Company displays it as suspended on the website of Calcutta Stock Exchange Limited. The Company has also made payment of Annual Listing fees for FY 2020-21 to Calcutta Stock Exchange Limited.

9) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

During the period under review, your Company has one Associate Company namely, Lemonade Shares & Securities Private Limited. There are no Subsidiaries or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Further, the report on the performance, financial position and overall contribution to company's profitability of each of the subsidiaries, associates and joint ventures and salient features of the financial statements in the prescribed Form AOC-1 is marked and annexed as "Annexure 1" to this report.

10) DEPOSITS

Your Company has not accepted any deposits and as such no amount on account of principal or interest on public deposit under section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

11) MATERIAL CHANGES AFFECTING THE COMPANY

No material changes and commitments occurred after the close of the financial year 2019-20 till the date of this Report which affect the financial position of the Company except the Resignation of the Mr. Anil Beniprasad Agrawal, Mr. Bharat Shiroya, Mrs. Annu Anil Agrawal and Mr. Jugal Thacker who resigned as Directors from the Company w.e.f June 29, 2019 due SEBI's order dated March 12, 2019 (WTM/GM/EFD/99/2018-19) and the impact of COVID-19 pandemic.

Further it is hereby confirmed that there has been no change in the nature of business of the Company.

12) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Following were the directoras on March 31, 2020:

Sr. No.	Name of the Person	DIN	Category
1	Mr. Ankur Anil Agrawal	06408167	Director
2	Mr. Devendra Lal Thakur	00392511	Independent Director
3	Mr. Milin Jagdish Ramani	07697636	Independent Director
4	Ms. Divya Dilip Padhiyar	08598655	Additional Director (Independent Woman Director)

During Financial year following changes took place in Board of Directors of the Company;

a. Change in Directors:

- (1) The Board of Directors of the Company at their Meeting held on June 29, 2019 have considered and approved the appointment of Mr. Ankur Anil Agrawal and Mr. Milin Ramani as an Additional Directors of the Company in the category of Non-Executive Non-Independent and Non-Executive Independent Directors respectively w.e.f. June 29, 2019, which is approved and recommended by Nomination and Remuneration Committee. Further, at 37th Annual General Meeting, Mr. Ankur Anil Agrawal and Mr. Milin Ramani were regularized as Non-Independent and Non-Executive Independent Directors respectively. The Company has received requisite declarations from them. Further, the designation of Mr. Ankur Agrawal was changed from Non-Executive Director to Executive Director w.e.f October 22, 2019
- (2) Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015(SEBI Listing Regulations) read with section 149 of the Companies Act, 2013 and based on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on October 22, 2019, appointed Ms. Divya Dilip Padhiyar (DIN:08598655) as additional woman director with effect from October 30, 2019 to hold office up to the date of forthcoming Annual General Meeting.

Further, subject to approval of Shareholders at ensuing Annual General Meeting, it is proposed to appoint Ms. Divya Dilip Padhiyar as Non-Executive Independent Woman Director of the Company w.e.f. October 30, 2019. The Company has received requisite declarations from her.

Details about the directors being appointed/re-appointed are given in the Notice of the forthcoming Annual General Meeting.

- (3) The Board of Directors had accepted the resignation of:

Name of Director	DIN	Designation	Date of Resignation
Mr. Anilkumar Shivkaran Nevatia	00531183	Independent Director	May 18, 2019
Mr. Anil Beniprasad Agrawal	00014413	Non-Executive Director	June 29, 2019
Mr. Bharat Nanubhai Shiroya	00014454	Managing Director	June 29, 2019
Mrs. Annu Anil Agrawal	00014487	Non-Executive Director	June 29, 2019
Mr. Jugal Thacker	00015460	Independent Director	June 29, 2019

The resignation of Mr. Anilkumar Shivkaran Nevatia as Independent Director was due to his personal and unavoidable circumstances. Further, resignation of Mr. Anil Beniprasad Agrawal, Mr. Bharat Shiroya, Mrs. Annu Anil Agrawal and Mr. Jugal Thacker was due to SEBI's order no. (WTM/GM/EFD/99/2018-19) dated March 12, 2019. There are no other material reasons for their resignations apart from the above stated reasons.

Following were the Key Managerial Personnel's as on March 31, 2020 :

Sr. No.	Name of the Person	Designation
1	Mr. Bharat Nanubhai Shiroya	Chief Executive officer
2	Mrs. Nirmala Kanjar	Chief Financial Officer

b. Change in Key Managerial Personnel's:

- (1) The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, had considered and approved the appointment of Mr. Bharat Nanubhai Shiroya as Chief Executive Officer (CEO) w.e.f. June 29, 2019.
- (2) Further, the Company has accepted the resignation of Ms. Nidhi Busa as Company Secretary and Compliance Officer of the Company w.e.f. April 19, 2019.
- (3) Post Financial Year, The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, had considered and approved the appointment of Ms. Sneha Mandelia as Company Secretary & Compliance Officer of the Company with effect from July 1, 2020.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

None of the Directors are disqualified for being appointed as the Director of the Company in terms of Section 164 of the Companies Act, 2013. Further, the Company after due assessment took on record the necessary declarations received from the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, All the independent directors are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon ("IICA") as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and as applicable shall undergo online proficiency self-assessment test within the time prescribed by the IICA.

c. Director liable to retire by rotation:

Pursuant to provisions of Section 152(6) of the Act, Mr. Ankur Anil Agrawal, Executive Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. Brief profile of Mr. Ankur Agrawal as required under Regulation 36 (3) of the SEBI Listing Regulations read with SS-2 on General Meetings is provided in the Notice of the ensuing AGM.

d. Board Effectiveness:**I. Director's Evaluation**

In terms of the requirement of the Companies Act, 2013 and Regulation 4 (2)(f) of the SEBI Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process based on the recommendation of the Nomination & Remuneration Committee.

II. Familiarization program for Independent Director(s)

The familiarization program aims to provide the Independent Directors their roles, responsibilities in the Company, nature of the industry, business model, processes & policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company, significant development so as to enable them to take well informed decisions in timely manner. Further, the Directors are encouraged to attend the training programmes being organized by various regulators / bodies / institutions on above matters. The policy on Company's familiarization program for independent directors is hosted on the Company's website.

III. Code of Conduct

The Company has formulated a Policy with Respect to Obligation of Directors & Senior Management. The confirmation of compliance of the same is obtained from all concerned on an annual basis. All Board Members and Senior Management have given their confirmation of compliance for the year under review. A declaration duly signed by the CEO is given under Corporate Governance Report appearing elsewhere as a separate section in this Annual Report. The Policy with Respect to Obligation of Directors & Senior Management is also posted on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>.

IV. Meeting of the Board and its Committees:

The Board has established following three Committees:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders' Relationship Committee; and

Details of the Board and its Committees along with their amended charters, composition, meetings held during the year are given under Corporate Governance Report appearing elsewhere as a separate section in this Annual Report.

13) AUDITORS

a. STATUTORY AUDITOR

The Company's Statutory Auditors, M/s. A. R. Sodha & Co., Chartered Accountants (FRN 110324W), were appointed for a period of 5 consecutive years till the conclusion of the 40th AGM, subject to ratification by members every year. Further, pursuant to the Companies (Amendment) Act, 2018 effective from 7 May, 2018, the requirement of seeking ratification from the members for the continuation of re-appointment of the Statutory Auditors has been withdrawn from the Statute.

M/s. A. R. Sodha & Co. Chartered Accountants, (FRN 110324W) has confirmed their eligibility and consent under Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for their continuance as the Auditors of the Company for the financial year 2020-2021. In terms of the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. Further, the report of the Statutory Auditors along with the notes is enclosed with the Financial Statements. The Auditors have issued modified opinion on the Financial Statements for the financial year ended March 31, 2020 as mentioned below:

The Company has not provided for defined benefit obligation in the nature of gratuity based on the requirement of Ind AS 19 i.e. "Employee Benefit", which requires defined benefit obligation to be recognised based on actuarial valuation basis. In absence of valuation we are unable to quantify the impact of above on the net profit for the year and liabilities as on reporting date.

Management's Explanation:

For-payment of gratuity, it is accounted-for on payment basis.

Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

b. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. R M Mimani & Associates LLP, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2019–20 to conduct the Secretarial Audit and issue the Secretarial Audit Report in **Form MR-3**. The report of the Secretarial Auditor for the financial year 2019 –20 is annexed as **Annexure 2** to this report. The report is self-explanatory and contains some qualification, reservation and adverse remarks as mentioned below:

- (i) During the quarter ended on September 30, 2019, the composition of Board is not in accordance with the provision of regulation of 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) The Company has not complied with the provision of section 203 of the Companies Act 2013 and of regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to the appointment of Company Secretary and Compliance Officer of the Company
- (iii) The Company has delayed in submitting the information to depository in respect of changes took in Board and KMP of the Company during the audit period.
- (iv) The Company has maintained the data in normal excel file instead of structured database, as required in terms of regulation 3(5) of the PIT Regulations, 2015
- (v) The Company has filed Form MGT-14 with MCA, together with the resolution passed to approve the annual financial results instead of resolution to approve Annual Financial Statements for the financial year ended on March 31, 2019.
- (vi) The Company has not fully complied with clause 4 of the Schedule B of PIT Regulation, 2015 read with circular No. LIST/COMP/ 01/ 2019-20 dated April 2, 2019 of BSE.
- (vii) The Company has not transferred the shares to Investor Education and Protection Fund (IEPF) as required in pursuance to the provisions of section 124(6) of Act, 2013 and Rule 6 (3) of IEPF Rules, in respect of which dividend remains unpaid or unclaimed for 7 consecutive years.
- (viii) The Company has delayed in transferring the amount of unpaid dividend of the financial year 2011-2012 to IEPF account, as required in pursuance to the provisions of section 125 of the Companies Act, 2013.
- (ix) The Company has delayed in giving the intimation to Stock Exchange of Board Meeting held on August 14, 2019, as required in terms of regulation 29(2) of SEBI (LODR), Regulations, 2015

Management's Explanation:

- (i) Mrs. Annu Agrawal has resigned w.e.f June 29, 2019 and accordingly the Company has appointed Mr. Divya Padhiyar, Women Director, w.e.f. October 30, 2019, to have the proper composition of Board in accordance with the provisions of Regulation 17 of the SEBI (LODR) Regulations, 2015. Further, the Company has paid the necessary applicable penalties with respective stock exchange in this regard.
- (ii) The Company has appointed Ms. Sneha Mandelia as Company Secretary and Compliance Officer of the Company on 1st July, 2020. Further, the Company has paid the necessary applicable penalties with respective stock exchange in this regard.
- (iii) The Company has submitted the information of changes in Directors and KMP to depositories.
- (iv) The Company has efficiently started the process of maintaining the data in structured digital database.
- (v) There was typographical error while filing form MGT-14. The word Results was typed instead of Statements.
- (vi) The Company has closed its trading window for the quarter ended June 30, 2019 and September 30, 2019 from the date of the notice of the Board Meeting till 48 hours after the declaration of results. However, none of its designated or connected person has traded in the securities of the Company from July 01, 2019 and October 01, 2019 till 48 hours after the declaration of result. For the quarter ended December 31, 2019 and March 31, 2020, the trading window was closed from the beginning of the next quarter till 48 hours after the declaration of results for that quarter.
- (vii) The shares to be transferred to IEPF were disputed shares and accordingly the Company has not transferred the shares to IEPF. The Company will now be transferring the shares to IEPF
- (viii) The Company had received request from the shareholders for the unpaid dividend. Accordingly, there was delay in transferring the amount to IEPF.
- (ix) The Board meeting was held on shorter notice. Accordingly, the dates were intimated to Stock Exchange by the Company. Further, the clarification is also provided to the stock exchange in this regards.

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019, issued by SEBI, the company has obtained Annual Secretarial Compliance Report for the year ended March 31, 2020, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder and the copy of the same has been submitted with the Stock Exchanges within the prescribed due date.

c. INTERNAL AUDITOR

M/s. Siddhant Shah & Co., Practicing Chartered Accountants, Mumbai performed the duties of internal auditors of the company for the F.Y. 2019-20 and their report is reviewed by the audit committee from time to time. Further, Board of Directors of the Company has appointed M/s. Siddhant Shah & Co, as an Internal Auditors of the company for the F.Y. 2020-21.

d. COST AUDITOR

The Company is not covered under the pursuit of section 148 of the Companies Act, 2013 and accordingly is not required to appoint cost auditor.

14) NOMINATION AND REMUNERATION POLICY

The Company has a Nomination and Remuneration Policy for Directors and Senior Managerial Personnel approved by the Nomination and Remuneration Committee and the Board. The policy is available at the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>. The purpose of the Remuneration Policy is to establish and govern the procedure applicable:

- To evaluate the performance of the members of the Board.
- To ensure remuneration payable to Directors KMP & other senior Management strike appropriate balance and commensurate among others with the functioning of the Company and its long term objectives.
- To retain motivate and promote talent within the Company and to ensure long term sustainability of the managerial persons and create competitive advantage.

The policy inter-alia covers the Directors' appointment and remuneration, Key Managerial Personnel and other senior management appointment and remuneration.

15) RELATED PARTY TRANSACTIONS

The Company has put in place a policy for related party transactions ('RPT policy') which has been approved by the Board of Directors. The RPT policy provides for identification of related party transactions, necessary approvals by the Audit Committee/Board of Directors/ Shareholders, reporting and disclosure requirements in compliance with the Act and the SEBI Listing Regulations. The said RPT policy has been uploaded on the website of the Company and can be accessed at the following link: <http://www.comfortfincap.com/Investorrelation>.

During the year under review, all related party transactions are into at an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All related party transactions are placed before the Audit Committee for review and approval of the Committee and to the Board for approval.

Further, details of the material related party transactions under Section 188 (1) of the Companies Act, 2013, required to be disclosed under Form AOC-2 pursuant to Section 134 (3) of the Act is not applicable as the Company has not entered into any such transactions.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the half yearly reports on related party transactions with the Stock Exchanges.

16) EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in **Form MGT 9** forms part of this Report and is annexed herewith and marked as **Annexure-3**

17) WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has in place a Whistle Blower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about potentially illegal and/or unacceptable practices. It seeks to enable employees to report such practices without fear of victimisation and reprisal. The Policy aims to administer good governance practices in the Company and to ensure that serious concerns are properly raised and addressed.

The purpose of the Policy is to enable a person who observes an unethical practice to approach Chairman of Audit Committee without necessarily informing his/her supervisors and without revealing his/her identity, if he/she so chooses.

The Policy governs reporting and investigation of allegations of suspected improper activities.

The employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities. The details of establishment of the Whistle Blower Policy/vigil mechanism have been disclosed on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>

18) CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015, a separate section on Corporate Governance practices followed by Company, together with a Certificate from Practicing Chartered Accountant confirming compliance, forms an integral part of this Report. A copy of Certificate issued by practicing Company Secretary forms part of this report.

19) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as stipulated under the SEBI Listing Regulations, 2015 is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses, internal controls and their adequacy, risk management systems, human resources and other material developments during the financial year 2019-20.

20) REMUNERATION TO DIRECTORS, PARTICULARS OF EMPLOYEES AND HUMAN RESOURCES(HR):

Your Company had 7 employees as on March 31, 2020. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees were in receipt of remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure 4** and forms part of this Report.

Your Directors would like to record their appreciation of the efficient and loyal service rendered by the employees.

21) POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at the workplace. During the year under review, the Company has not received any complaint of sexual harassment. No cases of child labour, forced labour and involuntary labour were reported during the year. Further, the Company is neither required to adopt policy for prevention of Sexual Harassment of Women at Workplace nor to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Board has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and

compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and external consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year under review. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

23) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, and to the best of Board's knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements:

- i. In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

24) DETAILS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**a. Conservation of Energy and Technology Absorption**

The Company has optimization of power usage as well as higher operational efficiency. The Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Automatic power shut down of idle monitors
- Creating environmental awareness by way of distributing the information in electronic form;
- Minimizing Air Conditioning usage
- Shutting off all lights when not in use
- Usage of Light Emitting Diode (LED) Lights

The Company's operations do not require significant import of technology.

b. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as under:

Total Foreign Exchange used and earned by the Company is as follows:

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Foreign Exchange Used	-	-
Foreign Exchange Earned	-	-

25) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's profits, net worth and turnover are far below the criteria as mentioned in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Hence, the CSR provisions are not applicable to the Company during the F.Y. 2019-20

26) BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company has adequate risk management mechanism and is periodically reviewed by the Board. The major risks identified by the business are systematically addressed through mitigating actions on a continuing basis and cost-effectively risk are controlled to ensure that any residual risks are at an acceptable level. The company has been addressing various risks impacting the company and brief view of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis Report. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

27) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted a Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosure with a view to regulate trading in securities by the Directors and designated employees of the Company in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is available on website of the Company at web link <http://www.comfortfincap.com/Investorrelation>

28) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, Guarantee and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

29) CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

Chief Executive Officer & Chief Financial Officer Certification as required under Regulation 17 (8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs has been obtained.

30) SECRETARIAL STANDARDS

Your Company has complied with the applicable Secretarial Standard SS-1 and SS-2 with respect to Board Meetings and General Meetings respectively specified by the Institute of Company Secretaries of India.

31) ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record our deep appreciation to our shareholders, customers, business partners, vendors, bankers, financial institutions, regulatory and government authorities for all the support rendered during the year under review.

The Directors also thank the Government of India, Governments of various states in India and concerned Government departments and agencies for their co-operation.

The Board places on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year and their families for making the Company what it is.

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020
PLACE : MUMBAI

ANNEXURE 1

FORM AOC-1 (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013, the brief business and a statement containing the salient features of the Financial Statements of the Company's associates are given below.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY

PART "A": Subsidiaries:

The Company does not have any Subsidiary Company during the year.

Part "B": Associates and Joint Ventures:

The Company does not have any Joint Venture during the year. However, Company has three Associate Company(ies) and the details of the said company(ies) are mentioned here in below:

Name of Associates or Joint Ventures	Lemonade Shares and Securities Private Limited
1. Latest audited Balance Sheet Date	March 31, 2020
2. Date on which the Associate or Joint Venture was associated or acquired	November 2012
3. Shares of Associate or Joint Ventures held by the company on the year end	
Number of shares:	2,20,000
Amount of Investment in Associates or Joint Venture:	Rs. 22,00,000/-
Extent of Holding (in percentage):	46.81%
4. Description of how there is significant influence	Equity Holding
5. Reason why the associate / joint venture is not consolidated	Not applicable, since it is consolidated
6. Net-worth attributable to shareholding as per latest audited Balance Sheet	Rs. 4,67,48,524/-
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 283/-
ii. Not Considered in Consolidation	Rs. 321/-

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020
PLACE : MUMBAI

ANNEXURE 2

Form No. MR-3

Secretarial Audit Report for the financial year ended on March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Comfort Fincap Limited
[CIN: L65923WB1982PLC035441]
22 Camac Street Block 'B'
Kolkata 700016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Comfort Fincap Limited** hereinafter called ("the Company") for the financial year ended 31st March, 2020 ['Audit Period']. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minutes' book, forms and returns filed and other records as maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

6. Laws specifically applicable to the Industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

- (i) The Reserve Bank of India Act, 1934
- (ii) Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non-Banking Financial Company (NBFC)

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above except the following;

- (i) *During the quarter ended on September 30, 2019, the composition of Board is not in accordance with the provision of regulation of 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
- (ii) *The Company has not complied with the provision of section 203 of the Companies Act 2013 and of regulation 6 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with regard to the appointment of Company Secretary and Compliance Officer of the Company*
- (iii) *The Company has delayed in submitting the information to depository in respect of changes took in Board and KMP of the Company during the audit period.*
- (iv) *The Company has maintained the data in normal excel file instead of structured database, as required in terms of regulation 3(5) of the PIT Regulations, 2015*
- (v) *The Company has filed Form MGT-14 with MCA, together with the resolution passed to approve the annual financial results instead of resolution to approve Annual Financial Statements for the financial year ended on March 31, 2019.*
- (vi) *The Company has not fully complied with clause 4 of the Schedule B of PIT Regulation, 2015 read with circular No. LIST/COMP/01/2019-20 dated April 2, 2019 of BSE.*
- (vii) *The Company has not transferred the shares to Investor Education and Protection Fund (IEPF) as required in pursuance to the provisions of section 124(6) of Act, 2013 and Rule 6 (3) of IEPF Rules, in respect of which dividend remains unpaid or unclaimed for 7 consecutive years.*
- (viii) *The Company has delayed in transferring the amount of unpaid dividend of the financial year 2011-2012 to IEPF account, as required in pursuance to the provisions of section 125 of the Companies Act, 2013.*
- (ix) *The Company has delayed in giving the intimation to Stock Exchange of Board Meeting held on August 14, 2019, as required in terms of regulation 29(2) of SEBI (LODR), Regulations, 2015*

During the audit period, provisions of the following regulations were not applicable to the Company;

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008

(iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Management and Auditor Responsibility:

- (i) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- (ii) We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- (iii) Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company; the same has not been uniformly possible in view of the prevailing lockdown.
- (iv) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
- (v) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.;
- (vi) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- (vii) Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practice;
- (viii) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except during the quarter ended on September 30, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of the Board or Committee thereof were carried out with requisite majority, while there were no recorded instances of dissent in Board or Committee meetings.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the Department Head and Compliance Certificate(s) of the Managing Director/CEO/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthen to commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For R M Mimani & Associates LLP
[Company Secretaries]
[Firm Registration No.: I2001MH250300]

SD/-
Ranjana Mimani
(Partner)
FCS : 6271
CP No.: 4234

Place: Mumbai
Dated: September 10, 2020

UDIN:F006271B000691450

ANNEXURE - 3**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2020

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

i	CIN	L65923WB1982PLC035441
ii	Registration Date	12/11/1982
iii	Name of the Company	COMFORT FINCAP LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	22 Camac Street, Block 'B', Kolkata, West Bengal 700016, Phone no.: 033-40035004, Email.: info@comfortfincap.com , Website.: www.comfortfincap.com
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Share Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 Tel: 022-62638200 Fax: 022-62638299 Website : www.bigshareonline.com Email ID: investor@bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company has been in the business of providing financial services

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Non-Banking Finance Company	0807	99.79
2	Trading activities	0204	0.21

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Lemonade Shares & Securities Pvt Ltd.	U67100MH2010PTC205455	Associate Company	46.81	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i. Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A) Shareholding of Promoter and Promoter Group									
Indian									
(a) INDIVIDUAL / HUF	1164000	0	1164000	10.73	1164000	0	1164000	10.73	0.00
(b) Central / State government(s)	0	0	0	0	0	0	0	0	0
(c) BODIES CORPORATE	540500	0	540500	4.98	540500	0	540500	4.98	0.00
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)									
(i) GROUP COMPANIES	3810500		3810500	35.12	3810500		3810500	35.12	0
(ii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(ii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(1) :	5515000	0	5515000	50.82	5515000	0	5515000	50.82	0.00
Foreign									
(a) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters									
(A)=(A)(1) + (A)(2)	5515000	0	5515000	50.82	5515000	0	5515000	50.82	0.00
(B) Public shareholding									
Institutions									
(a) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(c) MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e) INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0
(f) FPI's/FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i) ANY OTHERS (Specify) FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	170000	0	170000	1.57	1.57
SUB TOTAL (B)(1) :	0	0	0	0.00	170000	0	170000	1.57	1.57
Non-institutions									
(a) BODIES CORPORATE	1833578	0	1833578	16.90	1392807	0	1392807	12.84	(4.06)
(b) INDIVIDUAL									
(i) (CAPITAL UPTO TO Rs. 1 Lakh)	179205	13401	192606	1.77	200267	13401	213668	1.97	0.19
(ii) (CAPITAL GREATER THAN Rs. 1 Lakh)	2710598	0	2710598	24.98	2609040	0	2609040	24.04	(0.94)

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Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(c) ANY OTHERS (Specify)									
(i) HINDU UNDIVIDED FAMILY	0	0	0	0	450974	0	450974	4.16	4.16
(ii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii) CLEARING MEMBER	598376	0	598376	5.51	495003	0	495003	4.56	(0.95)
(iv) NON RESIDENT INDIANS (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
(v) NON RESIDENT INDIANS (REPAT)	1142	0	1142	0.01	1308	0	1308	0.01	0.00
(vi) NON RESIDENT INDIANS (NON REPAT)	0	0	0	0.00	3500	0	3500	0.03	0.03
(vii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(viii) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(ix) OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(x) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR								0.00	
	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(2) :	5322899	13401	5336300	49.18	5152899	13401	5166300	47.61	(-1.57)
Total Public Shareholding									
(B)=(B)(1) + (B)(2)	5322899	13401	5336300	49.18	5322899	13401	5336300	49.18	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(a) SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
(i) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (C)(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A) + (B) + (C)	10837899	13401	10851300	100.00	10837899	13401	10851300	100.00	0.00

ii. Shareholding of Promoters

Sr. No	NAME	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	LUHARUKA SALES & SERVICES PRIVATE LIMITED	540500	4.98	0.0000	540500	4.98	0.0000	0.0000
2	ANIL AGRAWAL HUF	1164000	10.73	0.0000	1164000	10.73	0.0000	0.0000
3	LUHARUKA COMMOTRADE PRIVATE LIMITED	3810500	35.12	100	3810500	35.12	100	0.0000
		5515000	50.82		5515000	50.82		0.0000

iii. Change in Promoters' Shareholding

No change in Promoters' Shareholding

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's)

Sr No	NAME	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
1	GLOBE CAPITAL MARKET LIMITED	425000	3.92	30-Mar-2019	0		425000	3.92
			3.92	08-Nov-2019	875	Buy	425875	3.92
			3.94	15-Nov-2019	1802	Buy	427677	3.94
			3.92	22-Nov-2019	-2677	Sell	425000	3.92
			3.94	29-Nov-2019	2408	Buy	427408	3.94
			3.92	06-Dec-2019	-2408	Sell	425000	3.92
			3.96	27-Dec-2019	4530	Buy	429530	3.96
			3.92	31-Dec-2019	-4530	Sell	425000	3.92
		425000	3.92	31-Mar-2020	0		425000	3.92
2	SNEHAPUSPH MARKETING PRIVATE LIMITED	339644	3.13	30-Mar-2019	0		339644	3.13
		339644	3.13	31-Mar-2020	0		339644	3.13
3	SHYAMSURAT RAJBALI SINGH	0	0.00	30-Mar-2019		Sell	0	0.00
			0.14	04-Oct-2019	14713	Buy	14713	0.14
			0.14	11-Oct-2019	3	Buy	14716	0.14
			0.15	18-Oct-2019	2070	Buy	16786	0.15
			0.15	25-Oct-2019	20	Buy	16806	0.15
			0.16	01-Nov-2019	1000	Buy	17806	0.16
			2.46	08-Nov-2019	249400	Buy	267206	2.46
			2.47	22-Nov-2019	360	Buy	267566	2.47
			2.48	29-Nov-2019	1102	Buy	268668	2.48
			2.48	06-Dec-2019	110	Buy	268778	2.48
			2.49	13-Dec-2019	1750	Buy	270528	2.49
			2.50	20-Dec-2019	700	Buy	271228	2.50
			2.55	27-Dec-2019	5340	Buy	276568	2.55
			2.57	31-Dec-2019	1950	Buy	278518	2.57
			2.56	03-Jan-2020	-915	Sell	277603	2.56
			2.59	10-Jan-2020	2925	Buy	280528	2.59
			2.59	17-Jan-2020	141	Buy	280669	2.59
			2.58	24-Jan-2020	-525	Sell	280144	2.58
			2.58	31-Jan-2020	-100	Sell	280044	2.58
			2.55	07-Feb-2020	-3090	Sell	276954	2.55
			2.55	14-Feb-2020	273	Buy	277227	2.55
			2.56	21-Feb-2020	295	Buy	277522	2.56
			2.59	28-Feb-2020	3397	Buy	280919	2.59
			2.58	06-Mar-2020	-627	Sell	280292	2.58

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Sr No	NAME	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
			2.59	13-Mar-2020	700	Buy	280992	2.59
			2.60	20-Mar-2020	599	Buy	281591	2.60
			2.59	27-Mar-2020	-900	Sell	280691	2.59
		280691	2.59	31-Mar-2020	0		280691	2.59
4	NEXTEL GARMENTS PRIVATE LIMITED	253677	2.34	30-Mar-2019	0		253677	2.34
			2.36	05-Apr-2019	2807	Buy	256484	2.36
			2.36	12-Apr-2019	3	Buy	256487	2.36
			1.90	07-Jun-2019	-50000	Sell	206487	1.90
			1.99	14-Jun-2019	9000	Buy	215487	1.99
			1.99	26-Jul-2019	-48	Sell	215439	1.99
			2.53	04-Oct-2019	58650	Buy	274089	2.53
			0.68	08-Nov-2019	-200000	Sell	74089	0.68
		74089	0.68	31-Mar-2020	0		74089	0.68
5	VIDISA TEXTILES PRIVATE LIMITED	218425	2.01	30-Mar-2019	0		218425	2.01
			1.55	14-Jun-2019	-50000	Sell	168425	1.55
			1.88	30-Sep-2019	35050	Buy	203475	1.88
			1.94	04-Oct-2019	7500	Buy	210975	1.94
			1.94	25-Oct-2019	-752	Sell	210223	1.94
			1.93	01-Nov-2019	-1013	Sell	209210	1.93
			1.92	22-Nov-2019	-500	Sell	208710	1.92
		208710	1.92	31-Mar-2020	0		208710	1.92
6	AIDOS INDIA FUND LTD	0	0.00	30-Mar-2019		Sell	0	0.00
			0.18	24-May-2019	20000	Buy	20000	0.18
			0.74	07-Jun-2019	60000	Buy	80000	0.74
			1.57	14-Jun-2019	90000	Buy	170000	1.57
		170000	1.57	31-Mar-2020	0		170000	1.57
7	AMI JAINEEK PATEL	157801	1.45	30-Mar-2019	0		157801	1.45
		157801	1.45	31-Mar-2020	0		157801	1.45
8	CHANDRAKANT RAMJI VAGHASIA	156019	1.44	30-Mar-2019	0		156019	1.44
		156019	1.44	31-Mar-2020	0		156019	1.44
9	INTERCITY BUILDERS PRIVATE LIMITED	139000	1.28	30-Mar-2019	0		139000	1.28
		139000	1.28	31-Mar-2020	0		139000	1.28
10	SEEMA PRAVINKUMAR JHUNJHUNWALA	134500	1.24	30-Mar-2019	0		134500	1.24
		134500	1.24	31-Mar-2020	0		134500	1.24

V INDEBTEDNESS

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

(in INR)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Amount at the beginning of the year	9,05,62,379	10,86,49,290	-	19,92,11,669
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total				
Change in Indebtedness during the financial year				
Additions	-	2,11,97,195	-	2,11,97,195.00
Reduction	3,05,79,029	-	-	3,05,79,029.37
Net Change	3,05,79,029	2,11,97,195	-	(93,81,834)
Indebtedness at the end of the financial year				
i) Principal Amount	5,99,83,350	12,98,46,485	-	18,98,29,835
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total	5,99,83,350	12,98,46,485	-	18,98,29,835

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(in INR)

Sr. No	Particulars of Remuneration	Name of the Managing Director	Total Amount
1	Gross salary	Mr. Bharat Shiroya*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6,00,000	6,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others (specify)"	-	-
5	Others, please specify	-	-
	Total (A)	6,00,000	6,00,000

* Resigned as Director w.e.f June 29, 2019

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B. Remuneration to other directors:

(in INR)

Sr. No	Particulars of Remuneration	Name of the Directors					
		Anil Nevatia ##	Jugal Thacker #	Devendra Lal Thakur	Milin Ramani *	Divay Padhiyar **	Total Amount
1	Independent Directors						
	(a) Fee for attending board committee meetings	-	15,000	90,000	60,000	20,000	1,85,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	-	15,000	90,000	60,000	20,000	1,85,000
2	Other Directors	Annu Agrawal #	Mr. Anil Agrawal #	Mr. Bharat Shiroya #	Ankur Agrawal *		
	(a) Fee for attending board committee meetings	10,000	20,000	-	55,000	-	85,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	10,000	20,000	-	55,000		85,000
	Total (B)=(1+2)	10,000	35,000	90,000	1,15,000	20,000	2,70,000
	TOTAL (A)+(B)	Total Managerial Remuneration					2,70,000
	Overall Ceiling as per the Act.	Overall Ceiling as per Companies Act, 2013 for sitting fees is upto Rupees One Lakh to be paid for attending each Board or Committee Meetings					

* Appointed as Director of the Company w.e.f June 29, 2019

**Appointed as Additional women Director (Non Executive Independent Director) of the Company w.e.f October 30, 2019

Resigned as Directors of the company w.e.f June 29, 2019

Resigned as Director of the Company w.e.f May 18, 2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in INR)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Company Secretary	Chief Executive Officer	Total
1	Gross Salary	Mrs. Nirmala Kanjar	Ms. Nidhi Busa *	Mr. Bharat Shiroya **	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	8,08,850	7,600	18,00,000	26,16,450
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-

(in INR)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	8,08,850	7,600	18,00,000	26,16,450

* Resigned as Company Secretary and Compliance Officer with effect from April 19, 2019

** Appointed as Chief Executive Officer of the Company w.e.f June 29, 2019

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
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A. COMPANY

Penalty	A fine of Rs. 1,55,000/- was charged by the Stock Exchange under Regulation 17(1) of the SEBI Listing Regulations for Noncompliance with the requirements pertaining to the composition of the Board including failure to appoint women Director. Further a fine of Rs. 1,65,000/- was charged by the stock exchange under Regulation 6(1) of SEBI Listing Regulation, for Non appointment of Company Secretary as Compliance Officer of the Company. The Company has made payment of the same and complied with the said regulation.				
Punishment					
Compounding					

B. DIRECTORS

Penalty	NONE				
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty	NONE				
Punishment					
Compounding					

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020

PLACE : MUMBAI

ANNEXURE 4

Statement under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2019-20:

Name of Directors/ KMP	Designation	Ratio of Remuneration of each Director / Employee to the median remuneration	Remuneration (in Rs.)	
			FY 2019-20	FY 2018-19
Mr Bharat Nanubhai Shiroya @	Managing Director	1.865	18,00,000	24,81,333
Mrs Annu Anil Agrawal *	Non-Executive Non-Independent Director	0.010	10,000	20,000
Mr Anil Beniprasad Agrawal*	Non-Executive Non-Independent Director	0.021	20,000	10,000
Mr Jugal Chandrakant Thacker *	Non-Executive Independent Director	0.016	15,000	40,000
Mr Devendralal Thackur	Non-Executive Independent Director	0.093	90,000	70,000
Mr Anilkumar Shivkaran Nevatia %	Non-Executive Independent Director	0.000	0	70,000
Mr. Ankur Anil Agrawal ~	Executive Director	0.057	55,000	NA
Mr. Milin Jagdish Ramani ~	Non-Executive Independent Director	0.062	60,000	NA
Ms. Divya Padhiyar %	Additional Director	0.021	20,000	NA
Ms Nidhi Busa #	Company Secretary	0.008	7,600	36,000
Mrs Nirmala Kanjar	Chief Financial Officer	0.838	8,08,850	10,09,940

@ Resigned as Managing Director w.e.f. June 29, 2019 and appointed as Chief Executive Officer w.e.f June 29, 2019

* Resigned as Director w.e.f. June 29, 2019

% Resigned as Director w.e.f. May 18, 2019

~ Appointed as Director w.e.f June 29, 2019

% Appointed as Director w.e.f October 30, 2019

Appointed as Company Secretary w.e.f January 15, 2019 and resigned w.e.f April 19, 2019

2. The percentage increase in remuneration of each Director, Group Chief Financial Officer, Company Secretary in the financial year 2019–20 as compared to financial year 2018–19:

Name of Directors/ KMP	Designation	% increase / decrease in Remuneration
Mr Bharat Nanubhai Shiroya	Managing Director	-27.458
Mrs Annu Anil Agrawal	Non-Executive Non-Independent Director	-50
Mr Anil Beniprasad Agrawal	Non-Executive Non-Independent Director	100
Mr Jugal Chandrakant Thacker	Non-Executive Independent Director	-62.5
Mr Devendralal Thacker	Non-Executive Independent Director	28.571
Mr Anilkumar Shivkaran Nevatia	Non-Executive Independent Director	-100
Mr Ankur Anil Agrawal	Executive Director	Not Comparable
Mr Milin Jagdish Ramani	Non-Executive Independent Director	Not Comparable
Ms Divya Padhiyar	Additional Director	Not Comparable
Mrs Nirmala Kanjar	Chief Financial Officer	-19.911
Ms Nidhi Busa	Company Secretary	-78.889

3. The Percentage increase in the median remuneration of employees in the financial year 2019–20:

The percentage increase in the median remuneration of all employees in the financial year was (19.29).

4. The number of permanent employees on the rolls of Company as on 31 March, 2020:

The number of permanent employees on the rolls of Company as on 31 March, 2020 were 7

5. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentage increase made in the salaries of the employees other than the Managerial Personnel in the financial year was (50.43)% vis a vis (27.46)% in the salaries of Managerial Personnel.

6. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

We affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

Sd/-
ANKUR ANIL AGRAWAL
CHAIRMAN & DIRECTOR
DIN: 06408167

DATE : SEPTEMBER 10, 2020
PLACE : MUMBAI

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended March 31, 2020 has been prepared in compliance with the applicable provisions of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and amendments thereof and forms a part of the Report of the Directors to the members of the Company.

1. Company's Philosophy on Corporate Governance:

Comfort Fincap Limited ('the Company') follows the highest standards of governance and disclosure. The company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to maximize stakeholders' value by attracting financial and human capital to secure efficient performance. It aims at holding a balance between economic & social goals on one hand and individual & collective goals on the other. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy and its well-defined Internal Control Systems, which are subjected to Audits periodically for their effectiveness, reinforces Accountability and Integrity of reporting and ensures Transparency and Fairness in dealing with the Company's Stakeholders, the Company has moved ahead in its pursuit of excellence in corporate governance.

The Company's corporate governance philosophy is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the Board Committees. Our Board has Independent Directors, highly respected for their professional integrity as well as rich experience and expertise. The Company has always strived to go beyond the Statutory and Regulatory requirements of Corporate Governance. Our endeavor is to follow good governance both in letter as well as in spirit.

2. Board of Directors

➤ Composition of Board of Directors

THE BOARD OF DIRECTORS

The Company has very balanced and diversified Board composition, including Executive, Non-Executive, Independent Directors and Woman Director. The Composition of the Board of Directors is made up of eminent and qualified persons who ensure that the long-standing culture of maintaining high standards of Corporate Governance is further nurtured. The Company has the Composition of the Board primarily takes care of the business needs and Stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent with varied professional background in the field of Finance, Audit, Accounts, Secretarial, other Regulatory compliance etc. They take active part at the Board and Committee Meetings by providing valuable guidance & expert advice to the Management on various aspects of Business, Policy direction, Governance, Compliance, etc. and play a critical role on strategic issues, which enhances the transparency and adds value in the decision making process of the Board of Directors. None of the Directors of the Company are related to each other. The Composition of the Board of Directors is in conformity with the requirement of Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with Rules framed thereunder.

The Board of Directors as on March 31, 2020 consisted of Four Directors, out of which, three Directors are Non-Executive Independent Directors including a woman Independent Director and one Director is Executive Director who is Chairman of the Company. Out of Four Directors, three Directors are Independent Directors which comprises 3/4th of the total strength of the Board. The Non-Executive Directors are eminent and experienced persons in their respective fields.

Directorships and Committee Memberships/Chairmanships in other Companies as on March 31, 2020 are given below:

Name of the Director	DIN	Executive/ Non - Executive/ Independent/ Promoter	No. of shares held in the Company	No. of Directorship in Other entities (1) (Including your Company)	Position in Committees in Public & other entities (2) (Including your Company)	
					Member	Chairman
Mr. Ankur Anil Agrawal	06408167	Executive Director, Chairperson	-	6	7	1
Mr. Devendra Lal Thakur	00392511	Independent Director	-	4	3	5
Mr. Milin Ramani	07697636	Independent Director	-	5	8	1
Ms. Divya Padhiyar	08598655	Additional Director (Non-Executive- Independent Director)	-	4	6	0

- (1) Excluding private companies, foreign companies and companies registered under section 8 of the Companies Act 2013, alternate directorship and Memberships of Managing Committees of various Chambers/Institutions/Boards.
- (2) Represents Chairmanship /Membership of Audit Committee and Stakeholders' Relationship Committees of other companies.
- (3) None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.
- (4) No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013.

➤ **Skills / Expertise / Core Competencies of the Board**

The Board of the Company is structured having requisite level of education/qualifications, professional background, sector expertise, special skills. The Board after taking into consideration the Company's nature of business, core competencies and key characteristics has identified the following core skills/ expertise/ competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are currently available with the Board as per the below table.

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Sr. No.	Name of Directors	Skills / expertise / competence	Category	Names of the other listed entities where the person is a director
1.	Mr. Devendra Lal Thakur	<ul style="list-style-type: none"> • Corporate Governance & Ethics • Management & Strategy • Business Administration • Personnel Management • Global business perspective • Strategy and Planning • Financial Management & Taxation • Operations and General Management • Audit & Accounts. 	Independent Director	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited
2.	Mr. Milin Jagdish Ramani	<ul style="list-style-type: none"> • Corporate Governance & Ethics • Management & Strategy • Personnel Management • Strategy and Planning • Secretarial & Compliance • Audit & Accounts 	Independent Director	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited 4. Tree House Education & Accessories Limited
3.	Ms. Divya Padhiyar	<ul style="list-style-type: none"> • Corporate Governance & Ethics • Management & Strategy • Strategy and Planning • Secretarial & Compliance • Audit & Accounts 	Additional Director (Non-Executive-Independent Director)	1. Comfort Commotrade Limited 2. Comfort Intech Limited 3. Relcon InfraProjects Limited
4	Mr. Ankur Agrawal	<ul style="list-style-type: none"> • Corporate Governance & Ethics • Management & Strategy • Business Administration • Personnel Management • Global business perspective • Strategy and Planning • Financial Management & Taxation • Operations and General Management • Audit & Accounts 	Executive Director, Chairperson	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited

➤ **Board Diversity**

Your Company over the years has been fortunate to have persons from diverse fields as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination and Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>

➤ **Number of Board Meetings**

During the financial year ended 31st March, 2020, Five Board Meetings were held on May 20, 2019, June 29, 2019, August 14, 2019, October 22, 2019, February 06, 2020.

The details of attendance of Directors at Board Meetings during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:-

Sr. No.	Name of Member	Category	No. of Meetings attended			Attendance at AGM held on September 16, 2019
			Held During the tenure	Attended	% of attendance	
1.	Mr. Bharat Nanubhai Shiroya*	Whole Time Director	2	2	100	NA
2.	Mr. Anil Beniprasad Agrawal *	Non-Executive Non Independent Director	2	2	100	NA
3.	Mrs. Annu Anil Agrawal *	Non-Executive Non Independent Director	2	2	100	NA
4.	Mr. Jugal Chandrakant Thacker *	Non-Executive - Independent Director	2	1	50	NA
5.	Mr. Anil Kumar Shivkaran Nevatia\$	Non-Executive - Independent Director	0	0	-	NA
6.	Mr. Ankur Agrawal~	Executive Director, Chairperson	3	3	100	YES
7.	Mr. Milin Ramani~	Non-Executive - Independent Director	3	3	100	YES
8.	Ms. Divya Padhiyar #	Additional Director (Non-Executive - Independent Director)	1	1	100	NA
9.	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	5	5	100	YES

*Resigned w.e.f. June 29, 2019

\$Resigned w.e.f. May 18, 2019

~ Appointed w.e.f. June 29, 2019

Appointed w.e.f. October 30, 2019

➤ Independent Directors

Independent Directors play a vital role in the governance process of the Board and its Committees. With their expertise in various fields, they enrich the decisionmaking process at the Board and the Committees level. The Appointment / Re-appointment of Independent Directors are carried out in a structured manner in accordance with the Provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Nomination and Remuneration Committee identifies potential candidates based on certain criteria and considers the Diversity of the Board and accordingly makes such recommendations to the Board.

Separate Meetings of the Independent Directors

During the year under review, the Independent Directors met amongst themselves without the presence of the other Directors on 06 February, 2020 and discussed / assessed the following items:

- The quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties;
- Evaluation of Performance of Non-Independent Directors and the Board as whole;
- Evaluation of Performance of Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;

- To Discuss the Matters relating to Independent Directors Data bank and its Resignation. Other related matters;

All Independent Directors were present at their Meeting. They expressed satisfaction on the Board Member's freedom to express views on the business transacted at the various Board and Committee meetings and the openness with which the Management discussed various subject matters on the agenda of the meetings.

➤ **Performance evaluation of the Board**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision making ability, role and effectiveness of the Committees. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

Performance evaluation criteria for Independent Directors

Each Independent Director's performance was evaluated by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz.

- (i) Preparedness
- (ii) Contribution by the Director
- (iii) Effective Deployment of Knowledge & Expertise
- (iv) Focus on governance
- (v) Communication and
- (vi) Integrity and maintenance of confidentiality

The Non-Executive Directors of the Company comprises of Independent Directors and are paid sitting fees for the time devoted to the Company. Apart from the sitting fees, there is no other material pecuniary relationship or transactions by the Company with the Directors.

➤ **Code of Conduct for Directors and Senior Management**

The Company has prescribed a Code of Conduct for Directors and Senior Management of the Company. The said code is available on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation> where it can be accessed. The Code lays down the Code of Conduct which is expected to be followed by the Directors and the Designated persons in their business dealings and in particular on matters relating to integrity at work place, in business practices and in dealing with Stakeholders. Managing Director declares that the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code during the financial year under review.

a. Committees of the Board:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Committees make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. The minutes of the meetings of all Committees are placed before the Board for review.

The Board as on March 31, 2020 has following Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

1) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations. The Committee comprises of four directors out of which majority are independent director and Chairperson of the committee is an independent director. All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

Composition of Audit Committee and attendance record of members for 2019-20

During the financial year under review, the Audit Committee met 4 (Four) times to deliberate on various matters. Audit Committee Meetings were held on May 20, 2019, August 14, 2019, October 22, 2019 and February 06, 2020.

The gap between two Meetings was not more than 120 (One Hundred Twenty) day and the required quorum was present in all the Meetings. Below given are the details of composition and attendance of the members during the financial year 2019-20:

Sr. No.	Name of Member	Category	Designation	No. of Meetings attended		
				Held During the tenure	Attended	% of attendance
1	Mr. Jugal Chandrakant Thacker ***	Non-Executive - Independent Director	Chairperson	1	1	100
2	Mr. Anil Kumar Nevatia**	Non-Executive - Independent Director	Member	1	0	0
3	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	Chairperson	4	4	100
4	Mr. Ankur Anil Agrawal #	Executive Director	Member	3	3	100
5	Mr. Milin Jagdish Ramani #	Non-Executive - Independent Director	Member	3	3	100
6	Ms. Divya Dilip Padhiyar\$	Non-Executive - Independent Director	Member	1	1	100

** Resigned w.e.f May 18, 2019

*** Appointed as Member of the Committee w.e.f May 18, 2019 and resigned as member w.e.f June 29, 2019

appointed as member of the Committee w.e.f June 29, 2019

\$ appointed as member of the Committee w.e.f October 30, 2019

Terms of Reference

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

2) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises of three directors out of which majority are independent director and Chairperson of the committee is an independent director.

➤ Composition of Nomination & Remuneration Committee and attendance record of members for 2019-20:

During the financial year under review, the Nomination & Remuneration Committee met 4 (Four) times to deliberate on various matters. Nomination & Remuneration Committee Meetings were held on May 20, 2019, June 29, 2019, August 14, 2019, October 22, 2019.

Below given are the details of composition and attendance of the members during the Financial Year 2019-20 :

Sr. No.	Name of Member	Category	Designation	No. of Meetings attended		
				Held During the tenure	Attended	% of attendance
1	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	Chairperson	4	4	100
2	Mr. Anil Kumar Nevatia**	Non-Executive - Independent Director	Member	0	0	NA
3	Mr. Jugal Thacker*	Non-Executive - Independent Director	Member	2	1	50
4	Mr. Anil Agrawal*	Non-Executive - Independent Director	Member	2	1	50
5	Mr. Ankur Agrawal##	Non-Executive - Independent Director	Member	2	2	100
6	Mr. Milin Ramani#	Non-Executive - Independent Director	Member	2	2	100
7	Ms. Divya Padhiyar ^	Non-Executive - Independent Director	Member	0	0	NA

* resigned as w.e.f June 29, 2019

** Resigned w.e.f May 18, 2019

appointed as Member of Committee w.e.f June 29, 2019

appointed as member of the Committee w.e.f June 29, 2019 and removed w.e.f October 30, 2019

^ appointed as Member of Committee w.e.f October 30, 2019

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as contained under Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

Remuneration Policy

Your Company's Nomination and Remuneration Policy for Directors and Senior Managerial Personnel approved by the Nomination and Remuneration Committee and the Board, is focused on recruiting, retaining and motivating high talented individuals. It is driven by the success and performance of the individual employees and the Company. Through its compensation programme, Company endeavors to attract, retain, develop and motivate a highperformance workforce. Individual performance pay is determined by business performance of the Company.

The purpose of the Remuneration Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration payable to Directors KMP & other senior Management strike appropriate balance and commensurate among others with the functioning of the Company and its long term objectives.
- c) To retain motivate and promote talent within the Company and to ensure long term sustainability of the managerial persons and create competitive advantage.

The policy inter-alia covers the Directors' appointment and remuneration, Key Managerial Personnel and other senior management appointment and remuneration. The Remuneration Policy as required under Section 178 of the Companies Act, 2013, is available on the website of the Company and can be accessed at web link <http://www.comfortfincap.com/Investorrelation>. The policy has been amended w.e.f. 1 April, 2019.

a. Pecuniary Relationship or Transactions with Non-Executive Directors.

During the year, there were no pecuniary relationships or transactions entered into between the Company and any of its Non-Executive / Independent Directors apart from payment of sitting fees and / or commission / perquisites as approved by the members.

b. Criteria of selection of Non-Executive Directors

Non-Executive Independent Directors are expected to bring in objectivity and independence around the Company's Strategic approach, Performance and Risk Management. They must also ensure very high standards of Financial Probity and Corporate Governance.

The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their Role as Non-Executive Independent Directors, to the satisfaction of the Board.

c. Conflict of Interest:

The Independent Directors are not to involve themselves in situations, which may, directly or indirectly conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their Appointment / Reappointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing at the time of their Appointment / Re-appointment and / or as and when there is any changes in the directorship and also on yearly basis.

The key elements in which every Independent Director will be expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.

d. Criteria of making payment of Remuneration to Non-Executive Directors

Non-Executive Directors ("NEDs") are paid remuneration by way of Sitting Fees;

- During the financial year 2019-20, no Commission was paid to the Non-Executive Directors;\
- No amount by way of loan or advance has been given by the Company to any of its Directors;
- The sitting fees payable to the NEDs for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The detail of sitting fees paid to the Non-Executive Independent Director and Non-Executive Non-Independent Directors along with their shareholding for the financial year 2019-20 are given in Annexure 3&4 of the boards Report.

e. Details of Remuneration Paid to Executive Director:

The details of remuneration paid to the Executive Directors along with their shareholding for the financial year 2019-20 are given in annexure 4 of the Board's Report.

3) STAKEHOLDERS' RELATIONSHIP COMMITTEE

Company's Stakeholders' Relationship Committee is constituted pursuant to section 178 (5) of Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. The Committee comprises of three directors out of which two are independent directors. The Chairperson of the Committee is Independent Director.

Composition of Stakeholders' Relationship Committee and attendance record of members for 19-20:

During the financial year under review, the Stakeholders' Relationship Committee met 4 (Four) times to deliberate on various matters. Stakeholders' Relationship Committee Meetings were held on May 20, 2019, August 14, 2019, October 22, 2019 and February 06, 2020.

Below given are the details of composition and attendance of the members during the financial year 2019-20:

Sr. No.	Name of Member	Category	Designation	No. of Meetings		
				Held During the tenure	Attended	% of attendance
1.	Mr. Anil Beniprasad Agrawal*	Non-Executive - Independent Director	Chairperson	2	1	50
2.	Mr.Devendra Lal Thakur	Non-Executive - Independent Director	Chairperson	4	4	100
4.	Mr. Anil Kumar Nevatia*	Non-Executive - Independent Director	Member	2	0	0
5.	Mr. Ankur Anil Agrawal #	Executive Director	Member	3	3	100
6.	Mr. Milin Jagdish Ramani #	Non-Executive - Independent Director	Chairman	3	3	100
7.	Ms. Divya Padhiyar \$	Non-Executive - Independent Director	Member	1	1	100

➤ * Resigned w.e.f June 29, 2019

➤ # Appointed as Member of Committee w.e.f June 29, 2019

➤ \$Appointed as Member of Committee w.e.f October 30, 2019

Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee are as contained under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

Status of Transfers

There were no pending share transfers as on March 31, 2020.

Complaints

The details of shareholders' complaints received and disposed of during the year under review are as follows:

SR NO.	STATUS OF INVESTOR COMPLAINTS	
1	Pending at the beginning of the financial year	0
2	Received during the financial year	0
3	Disposed off during the financial year	0
4	Pending at the end of the financial year	0

3. GENERAL BODY MEETINGS

a. Details of Date, Time, Location and Special Resolutions Passed during last 3 years:

YEAR	LOCATION	DATE	TIME	NATURE OF SPECIAL RESOLUTIONS IF ANY PASSED
2016-17	Hotel Royal Garden, 163A Park Street, Kolkata- 700017	September 09,2017	12:30 P.M	[1] To re-appointment of Mr. Bharat Shiroya, as a Managing Director (DIN: 00014454) of the Company. [2] To approve related party transaction under section 188 of Companies Act,2013
2017-18	Vedic Village Spa Resort, Shikharpur Bagu, Rajarhat, Kolkata- 700135, West Bengal.	September 28, 2018	12.30 P.M.	[1] Revision in remuneration payable to Mr. Bharat Shiroya, (DIN: 00014454), as a Managing Director.
2018-19	Hotel Regenta Inn Larica, Biswa Bangala Road, Rajarhat New Town, Chinarpark, Nowapara, Kolkata, West Bengal-700157.	September 16, 2019	1:00 P.M	[1] To Appoint Mr. Ankur Anil Agrawal (DIN: 06408167) as Non-Executive Non-Independent Director, liable to retire by rotation. [2] To Appoint Mr. Milin Jagdish Ramani (DIN: 07697636) as Non-Executive Independent Director of the Company to hold office for a term of 5 consecutive years i.e. from June 29, 2019 to June 28, 2024. [3] To approve and Ratify the Related Party Transactions

b. Extra-Ordinary General Meetings

There were no Extra-Ordinary General Meetings held during the year under review.

c. Details of Resolution passed through Postal ballot

There was no Resolution passed through Postal ballot during the year under review.

4. Means of Communication

- Your Company maintains a website www.comfortfincap.com, wherein there is a dedicated section 'Investor Relation'. The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, investor presentation, share price data, unpaid dividend details, shareholding pattern, contact details, etc.
- Extracts of the Quarterly / Half-yearly / Annual results subjected to Limited Review / Audit Report by Statutory Auditors are generally published in the Financial Express & Duranto Batra and also made available on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>. Other information relating to Shareholding Patterns and other Compliance requirement are uploaded on BSE Portals and on Company's website at <http://www.comfortfincap.com/Investorrelation>.
- The Company has disclosed and complied with all the mandatory requirements as stipulated under the SEBI Listing Regulations. The details of these compliances have been given above in the relevant sections of this report.
- BSE's Listing Centre is a web-based application designed by the BSE Limited for Corporates and is used for periodical compliance filings like Quarterly Results, Shareholding Pattern, Corporate Governance Report, Media releases, Statement of Investor Complaints, others are in accordance with the SEBI Listing Regulations filed electronically.
- SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

5. GENERAL SHAREHOLDERS INFORMATION**a. Annual General Meeting("AGM") for the F.Y. 2019-20**

Day and Date	Tuesday, October 27, 2020
Time	02: 30 P.M.
Venue	Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), pursuant to MCA circular dated 05.05.2020 read with circulars dated 08.04.2020 and 13.04.2020, without physical presence of Members at a common venue.

b. The Financial year and tentative calendar :

The Company follows the Financial year from April 01 to March 31. Tentative schedule for declaration of financial results during the financial year 2020-21

Tentative schedule of Financial reporting for:	
Quarter ending June 30, 2020	Second Week September 2020
Quarter ending September 30, 2020	Second Week November 2020
Quarter ending December 31, 2020	Second Week February 2021
Financial year ending March 31, 2021	Fourth week of May 2021

c. Book Closure Date : Wednesday, October 20, 2020

d. Dividend payment date: No Dividend is recommended for the period under review

e. Listing on Stock Exchanges

Name of Stock Exchange	BSE Limited
Stock Code	535267
ISIN	Equity Shares INE274M01018

Name of Stock Exchange	Calcutta Stock Exchange Limited
Stock Code	26078

Annual Listing Fees for the F.Y. 2019-20 and 2020-21 has been paid to the above Stock Exchanges.

f. Capital structure:

CIN	L65923WB1982PLC035441
Authorised Capital	15,00,00,000
Issued, Subscribed and Paid up Capital	10,85,13,000

g. Correspondence Address:

Registered Office: 22, Camac Street, Block 'B', Ground Floor, Behind Pantaloon, Kolkata, West Bengal - 700 016

Corporate Office: A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai - 400 064
Tel: 022-68948508
Email: info@comfortfinicap.com
Website: www.comfortfinicap.com

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h. Monthly Volumes and Prices: Financial year 2019 –20

High, Low Price and Trading Volume of the Company's Equity Shares during F.Y. 2019 –20 at BSE Limited is given below:

Month	High	Low	No. of Shares Traded
Apr-19	14.5	12.94	296762
May-19	13.5	8.82	395541
Jun-19	9.82	7.18	510706
Jul-19	8.1	4.51	308296
Aug-19	7.05	5.4	19495
Sep-19	8.1	5.01	13640
Oct-19	6	4.5	9975
Nov-19	5	4.46	17346
Dec-19	5.07	4.49	53047
Jan-20	6.24	4.75	10665
Feb-20	6.52	4.95	43371
Mar-20	6.55	4.16	7337

i. Comfort Fincap Limited Share price Performance in comparison to BSE Sensex:



j. Distribution of Share Holding As on March 31, 2020

Range of Shareholding	No. of Shareholders	% of Total	Share	% of Total
1-500	913	85.0885	32299	0.29
501-1000	24	2.2367	20576	0.18
1001-2000	21	1.9571	30194	0.27
2001-3000	7	0.6524	18209	0.16
3001-4000	6	0.5592	22672	0.20
4001-5000	10	0.932	46029	0.42
5001-10000	15	1.3979	111630	1.02
10001- Above	77	7.1761	10569691	97.40
Total	1073	100.00	108513000	100.00

- k. In case the securities of the Company are suspended from trading, the reasons thereof:** The Securities of the Company are not suspended from trading on the stock exchanges.

l. Share Transfer System / Unclaimed Dividend and other related matters:

i. Registrar and Share Transfer Agent:

All inquiries relating to the members records, transmission of shares, change of address, non-receipt of dividend, loss of share certificates, transfer of shares to IEPF Authority, etc. should be addressed to:

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059, Maharashtra, India

Phone No: 022-6263 8200, Fax No. : 022-6263 8299

Email Id: info@bigshareonline.com Website: www.bigshareonline.com

ii. Share Transfer System

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1st April, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

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

The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the certificate with the Stock Exchange.

iii. Nomination facility for Members

As per the provisions of the Companies Act, 2013, facility for making Nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain Nomination form, from the RTA of the Company. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard

iv. Details of Unclaimed Dividend

Pursuant to provisions of Section 125 of the Companies Act, 2013 the amount of Dividend which has remained unclaimed / unpaid for a period of 7 consecutive years, is required to be transferred to Investors Education and Protection Fund (IEPF) Authority established by Central Government. Accordingly, the unclaimed dividend of Rs 39040/- pertaining to Dividend for the year 2011-12 on completion of 7 years was credited to IEPF during the period under year. All the members who have not encashed the dividend warrants since financial year 2012-13, 2013-14 and thereafter are requested to take steps to contact the RTA of the Company.

Financial year	Date of Declaration	Date of Payment	Tentative dates for transfer of shares and dividend to IEPF
2012-13	20-07-2013	29-07-2013	27-08-2020
2013-14	29-09-2014	08-10-2014	06-10-2021
2014-15	24-09-2015	01-10-2015	01-10-2022
2015-16	10-09-2016	16-09-2016	17-19-2023
2016-17	09-09-2017	15-09-2017	16-09-2024
2017-18	29-09-2018	11-10-2018	05-10-2025

v. Transfer of Concerned Equity Shares to Investor Education and Protection Fund Authority

Further, the Company will be transferring the dividend and the shares to the IEPF Authority for its Dividend Account of the financial year 2012-13. The Company has sent individual correspondence to the shareholders and published newspaper advertisement for claiming the un-paid/unclaimed dividend in respect of which dividend has not been encashed or claimed by the members for 7 consecutive years or more. The shareholders are once again requested to claim their un-paid/unclaimed to avoid the transfer to IEPF.

Members who have not yet en-cashed their Dividends are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The members / claimants whose shares and / or, unclaimed dividend, etc. have been transferred to IEPF Authority may claim the shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules. It is in the members interest to claim any un-en-cashed dividends from IEPF and for future dematerialization of their shares and opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are credited to the investor's account on time.

vi. Pending Investor Grievances

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company at the Corporate Office with a copy of the earlier correspondences and relevant supporting's for quick resolution.

vii. Reconciliation of Share Capital Audit

As required under Regulation 76 of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 2018 as amended, quarterly audit of the Company's share capital is being carried out by Independent Company Secretary in Practice with a view to reconcile the total Share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Certificate in regard to the same has been submitted to BSE Limited and is also placed before the Board of Directors.

viii. Payment of Dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the members Bank Account. The SEBI Listing Regulations also mandate Companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company about of the core banking account details allotted to them by their bankers. In cases where the core banking details are not available with the Company, then the Company will issue physical warrant / demand draft to the Members.

ix. Green Initiatives for Sending Communication

Company has sent correspondence to the physical shareholders requesting them to give their E-mail ID's to the Company / RTA (for physical shares held) and their Depository Participants (DPs), so that Annual report and other communications can be sent electronically to all the members. Members, who have so far not informed the E-mail ID's to their DP's, are requested to do the same in the interest of environment.

m. Shareholding Pattern (Category Wise) As on March 31, 2020

The details of the same are provided under Annexure 3 of the Board's Report.

n. Dematerialisation of Shares & Liquidity

Break-up of shares in physical & electronic mode as on March 31, 2020 .

Mode	No. of Shares	% of total Shares
Physical	13,401	0.12
Electronic	1,08,37,899	99.88
Total	1,08,51,300	100

o. List of the Top 10 Shareholders of the Company (Excluding Promoter Group) As on March 31, 2020:

The Details of the same are provided under Annexure 3 to the Board's Report.

p. Outstanding GDRs / ADRs / Warrants or any Convertible instruments

There are no outstanding GDRs / ADRs / Warrants or any Convertible instruments

q. Plant Location

The Company does not have any plants.

r. Compliance Officer of the Company

Ms Nidhi Busa resigned from the post of Company Secretary and Compliance Officer w.e.f. April 19, 2019. Post financial year Mrs. Sneha Mandelia was appointed as Company Secretary and Compliance Officer of the Company w.e.f July 01, 2020.

6. Other Disclosures**i. Related Party Transactions**

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's Length Price or fair value basis. There were no transactions with related parties during the financial year which were in conflict of the interest of the Company. Suitable disclosures as required by the Indian Accounting Standard (Ind AS-24) have been made in the notes to the Financial Statements. Related Party transactions have been disclosed under the notes forming part of the financial statements in accordance with Indian Accounting Standard (Ind AS-24). A statement in summary form of transactions with Related Parties in ordinary course of business and on an arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the SEBI Listing Regulation, the Company has the policy on dealing with Related Party Transactions. The policy has been uploaded on the website of the Company and can be accessed at web link <http://www.comfortfinicap.com/Investorrelation>.

ii. Subsidiary Companies

The Company has a policy on Material Subsidiary and the same is placed on the website of the Company at web link <http://www.comfortfinicap.com/Investorrelation>. During the period under review there are no subsidiaries of the Company.

iii. Strictures and Penalties

The Company has complied with all requirements specified under the SEBI listing Regulations as well as other Regulations and guidelines of SEBI. No penalties have been imposed on the Company by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets except from BSE Limited the Company was charged a fine of Rs.1,55,000/- under Regulation 17(1) of the SEBI Listing Regulations, for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint women Director and of Rs.1,65,000/- for Non-compliance with Regulation 6(1) of SEBI Listing Regulation, 2015 with respect to appointment of qualified Company Secretary as Compliance Officer of the Company. After the year under review for the Quarter ended June 2020 a fine of Rs.91000/- was paid for Non appointment of qualified Company Secretary as Compliance Officer of the Company. The Company has duly complied with the above regulations and paid the fines levied on the Company.

iv. Compliance with Accounting Standards / Ind AS

All applicable Ind AS have been consistently applied. Financial statements of the Company are prepared in accordance with the Indian Accounting Standards.

v. Internal Control System

The Company has a formal system of internal control testing which examines both, the design effectiveness and operational effectiveness to ensure reliability of Financial and Operational information and all statutory / regulatory Compliances. The Company's business processes have a robust Monitoring and Reporting process resulting in Financial discipline and Accountability.

vi. Vigil Mechanism / Whistle Blower Policy

In compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has established a Whistle Blower Policy and the same is placed on the web site of the Company at web link <http://www.comfortfincap.com/Investorrelation>. The Company has a Whistle Blower Policy for Directors and Employees to report their concerns about unethical behavior, leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of Director(s) and / or Employee(s) who avail the mechanism.

vii. Website

The Company has its own functional website <http://www.comfortfincap.com> as required by the SEBI Listing Regulations, where information about the Company, quarterly and Annual Audited Financial Results, Annual Reports, distribution of shareholding at the end of each quarter, official press releases, and information required to be disclosed under Regulation 30(8) and 46 of the SEBI Listing Regulations, etc. are regularly updated. All material events / information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's Policy on determination of materiality of events framed under the SEBI Listing Regulations. All disclosures under this policy are also displayed on the Company's website and hosted for a minimum period of 5 years and thereafter as per the Archival Policy of the Company. The Policy on determination of materiality of events and Archival Policy of the Company is available on the Company's website at web link <http://www.comfortfincap.com/Investorrelation>.

viii. Compliance with non mandatory requirement under SEBI Listing Regulations:

a) The Board of Directors:

The Mr. Ankur Agrawal, Chairman of the Company is an Executive Director. Accordingly, there was no such requirement for providing the office and expenses for performance of his duties.

b) Shareholders Rights:

In addition to publishing its quarterly results in Financial Express & Duranto Batra newspaper having wide circulation, the Company uploads its quarterly results and shareholding pattern and corporate governance reports and all other disclosures submitted to stock exchanges on its website <http://www.comfortfincap.com/Investorrelation>.

c) Audit qualifications:

The Company's Financial Statements for the financial year 2019 -20 has the modified opinion and the management's explanation on the said modified opinion appears elsewhere in this Report.

d) Separate posts of Chairman and CEO:

The Chairman and Chief Executive Officer are different in the Company. The Board is chaired by Executive Director.

- ix.** Total fees paid to Statutory Auditors of the Company is Rs.2,60,000/- for financial year 2019-20, for all services\ on a consolidated basis, to the statutory auditor.

x. Certificate from Practicing Company Secretary

A Certificate has been received from R M Mimani & Associates LLP, Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

xi. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations

The Company has not raised funds through preferential allotment or qualified institutional placement.

- xii. Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account:** As on March 31, 2020, there are no outstanding shares credited / lying in the demat suspense account / unclaimed suspense account.

xiii. Recommendations of Committees of the Board

There were no instances during the financial year 2019–20, wherein the Board had not accepted recommendations made by any committee of the Board.

xiv. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to provide a safe and conducive work environment to all its employees and associates to uphold and maintain the dignity of every women employee working in the Company.

The following is reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints received in the year : Nil
- b) Number of complaints disposed off during the year : Nil
- c) Number of cases pending more than ninety days: Nil
- d) Number of workshops or awareness programme against sexual harassment carried out: The company has conducted online training for creating awareness against sexual harassment against women at the work place.
- e) Nature of action taken by the employer or district officer: Not applicable

xv. Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and the Chief Financial Officer have issued a certificate pursuant to the provisions of the SEBI Listing Regulations certifying that the Financial Statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs as at March 31, 2020. The said certificate is annexed and forms part of this report.

xvi. Compliances with Corporate Governance disclosure requirements as specified in the SEBI Listing Regulations

The Company complies with all mandatory requirements as per Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulation. Further, as required by Schedule V of the SEBI Listing Regulations; the Certificate on Corporate Governance received from M/s R M Mimani & Associates LLP, Company Secretaries is annexed to the Report.

xvii. Codes and Policies

The Board has adopted all applicable Codes and Policies in terms of the requirements of the Companies Act, 2013, the SEBI Listing Regulations and also under SEBI (Prohibition of Insider Trading) Amendment, Regulations, 2018. The requisite Codes and / or Policies are posted on the Company's website at <http://www.comfortfincap.com/Investorrelation> and references to these codes and policies have been given at relevant sections in this report

xviii. Registrar to an Issue and Share Transfer Agents

BIGSHARE SERVICES PVT. LTD.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai - 400059
Tel: 022-62638200 Fax: 022-62638299
Website : www.bigshareonline.com; Email ID: investor@bigshareonline.com

xix. Depository for Equity Shares

<p>National Securities Depository Limited Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Tel : 91 22 2499 4200 Fax : 91 22 2497 6351</p>	<p>Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai – 400 013.</p>
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DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY THE BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL****To the members of Comfort Fincap Limited,**

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2020.

For Comfort Fincap Limited**Place: Mumbai****Date: September 10, 2020****SD/-****Bharat NanubhaiShiroya
Chief Executive Officer****CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION**

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Comfort Fincap Limited ("the Company") to the best of our knowledge and belief, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (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 applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's Code of Conduct.
- (c) We hereby declare that, all Board Members and Senior Managerial Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We are responsible 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 of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal controls over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. 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.

FOR COMFORT FINCAP LIMITED**FOR COMFORT FINCAP LIMITED****SD/-****BHARAT NANUBHAI SHIROYA
CHIEF EXECUTIVE OFFICER****SD/-****NIRMALA KANJAR
CHIEF FINANCIAL OFFICER****PLACE: MUMBAI****DATE: SEPTEMBER 10, 2020**

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Members of

Comfort Fincap Limited

[CIN: L65923WB1982PLC035441]

22 Camac Street Block 'B'

Kolkata 700016

We have examined the compliance of conditions of Corporate Governance by **Comfort Fincap Limited** ("the Company") for the financial year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the LODR.

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

We have examined relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR during the financial year ended March 31, 2020, except in respect of the matters specified below;

- (i) *During the quarter ended on September 30, 2019, the composition of Board and Nomination and Remuneration Committee was not in accordance with the provisions of regulation of 17 and 19(1) of the SEBI (LODR), Regulations 2015.*
- (ii) *Quarterly compliance reports on Corporate Governance filed by the Company during the period has been signed by a Director of the Company instead of Compliance Officer or Chief Executive Officer of the entity, as required pursuant to the provisions of regulation 27 (2) (c), of the SEBI (LODR) Regulations, 2015*
- (iii) *The Company has not given the five days advance intimation of Board Meeting held on August 14, 2019 as required pursuant to the regulation 29(2) of SEBI (LODR), Regulations, 2015*

We 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 R M Mimani & Associates LLP

[Company Secretaries]

[Firm Registration No.: I2001MH250300]

SD/-

Ranjana Mimani

(Partner)

FCS : 6271

CP No.: 4234

Place: Mumbai

Dated: September 10, 2020

UDIN: F006271B000691494

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Comfort Fincap Limited

[CIN: L65923WB1982PLC035441]

22 Camac Street Block 'B'

Kolkata 700016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Comfort Fincap Limited** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

DIN DD	Full Name	Designation	Date of Appointment
00392511	Mr. Devendralal Rambharose Thakur	Director	24-11-2015
06408167	Mr. Ankur Anil Agrawal	Director	29-06-2019
08598655	Ms. Divya Dilip Padhiyar	Director	30-10-2019
07697636	Mr. Milin Jagdish Ramani	Director	29-06-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R M Mimani & Associates LLP

[Company Secretaries]

[Firm Registration No.: I2001MH250300]

SD/-

Ranjana Mimani

(Partner)

FCS : 6271

CP No.: 4234

Place: Mumbai

Dated: September 10, 2020

UDIN: F006271B000691505

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACROECONOMIC OUTLOOK

The Indian economy has already been experiencing significant slowdown over the past year. Investment and consumption demand had been languishing and a number of stimulus measures have been taken to bring back the economy on a growth path. Covid-19 outbreak has raised fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements. Global growth is projected at -4.9 percent in 2020 [World Economic Outlook (WEO) forecast]. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s. The MSME sector that contributes around one-third to India's GDP would be hit particularly hard by the current crisis. Given the large share of unorganised sector in India, the slowdown will have severe repercussions on employment, which in turn will have an adverse impact on consumption and investment in the economy. After falling sharply in the first quarter, real GDP surged in the second quarter and is likely growing at a good pace in the third quarter.

However, India is still considered as one of the fastest growing economies of the world. After overtaking the United Kingdom and France, India has become world's fifth largest economy in 2019 in terms of nominal GDP. Buoyed by a strong economy, rising household income, socio-economic factors and change in spending pattern, consumption expenditure has been on a rise in India. On the basis of purchasing power parity (PPP) India is the third largest economy in 2019. Indian economy is expected to register a sharp turnaround and resume its growth trajectory on the back of digitization, globalization, favourable demographics, Government reforms and fiscal stimulus packages. The growth will be further aided by strengthening of labour reforms and gradual recovery in supply chain development.

ECONOMIC MEASURES FOR REVIVAL

The Government of India and the Reserve Bank of India (RBI) have also announced several measures to combat the social and economic crisis arising out of the Covid-19 breakout. To uplift the economic gloom, the Government has laid out a road map towards building a self-reliant India with five key pillars identified as Economy, Infrastructure, System, Vibrant Demography and Demand. The Government has announced economic stimulus 'the Atmanirbhar Bharat Abhiyan package' of ₹ 20 trillion, which represents roughly 10% of the Indian GDP.

Overall the economic stimulus focussed on land, labour, agriculture, supply chain and tax reforms along with massive spending on social sector and infrastructure building. The liquidity support measures are focussed on the key areas of MSME, NBFC, MFIs, power distribution companies, real estate etc. It also includes RBI's initiatives to inject large liquidity into the system through open market transactions and reducing cash reserve ratios, reverse repo rate, providing six months moratorium on loan etc. The RBI has cut the repo rate by a total of 115 bps in phases since the lockdown began in late March which now stands at 4%.

The Inflation measured by the Consumer Price Index (CPI), peaked at 7.6% in January 2020 before being moderated to 5.9% by March 2020. With softening of food prices, sharp fall in crude oil price and expected normal monsoon, RBI expects inflation to remain firm in first half of FY2021 and is expected to fall below the target of 4% in second half of FY2021.

Although there is temporary slow-down of Indian economy, the structural reforms, fiscal, monetary and administrative measures being currently undertaken are expected to revive the economic growth in second half of FY2021. However, the containment duration, the extent of global slump and further domestic policy support will decide the shape of economic recovery.

THE COVID-19 PANDEMIC AND LOCKDOWN

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11th February, 2020 and soon thereafter, the effects of the pandemic were visible in the forms of stringent nationwide lockdowns, stoppage of public and goods transport, shutting down of industries, etc. which is expected to have a continued short to medium term impact on our nation's and the world's economy. The Governments in several countries have imposed similar stringent lockdown in a bid to contain the spread of the COVID-19 virus and this in turn has put several economies into a recessionary phase. With an urgent need to institute social distancing norms and increased requirement for social hygiene, our company has also had to reconfigure how our employees work and how our core business processes are performed in this unprecedented time. Work from home and online interactions and virtual meetings have become the call of the day.

In India too, a lockdown was implemented since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to their villages hundreds of kilometres away; shut factories and stores; empty construction sites; and a nation being deprived of its natural economic vigour are vignettes of this scourge. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections —something that India's frail medical facility can ill cope with

The Government of India has announced lockdown 4.0 from 18 May 2020 till 31 May 2020. Containment zones in cities and metropolises continue to remain locked down and local authorities are to intensify focus on containment zones and the so-called 'buffer zones', with some relaxations in non-containment zones. Efforts are being made to carefully open up economic activities including construction, factories, shops and stores across most parts of the country with adequate social distancing, use of masks and other stringent health protocols. Even so, returning to the pre-COVID-19 normal seems a long way away. The exit path from such a massive lockdown will be precarious with uneasy consumers, tricky health protocols and an irregular, downbeat business rhythm that will inhibit efficiency.

A group of empirically sound and carefully trained economists have been attempting to estimate what might be the impact of the pandemic in the financial year 2020-21 (FY2021). The consensus seems to be that real GDP growth will fall from 4.2% in FY2020 to (-)5% in FY2021. If it was to happen as predicted, this will represent the greatest fall in GDP growth since 1979-80, when real GDP growth plummeted from 5.7% in the previous year to (-)5.2%. According to this group of economists, Q1 FY2021 will show a sharp negative growth; Q2 FY2021 will see tortuous limping back; and H2 FY2021 will see a gradual pickup in growth which, unfortunately, may not be sufficient to prevent the full year's GDP from a sharp contraction. Frankly speaking, we do not know. What we can say quite clearly is that FY2021 will be the most difficult year that we have seen for a very long time. Not just us in India, but across much of the world.

Some experts, however, believe that the measures announced by the Government are predominantly liquidity support mechanisms through banks and NBFCs, and constitute only a limited fiscal stimulus. Given the extended tenor of lockdown and severity of its impact on the economy, it is likely that the fiscal stimulus announced so far may not have the desirable effect on the economy. It remains to be seen whether there are other fiscal measures in the offing.

Comfort Fincap Limited took immediate steps to manage this force majeure situation, some of which have been:

- Keeping employee safety as the topmost priority, and so ensuring that all employees moved immediately to 'Work-from-Home' (WFH). All employees were advised to strictly follow lockdown guidelines of the Government,
- IT team of the Company moved in swiftly to ensure availability of sufficient bandwidth, setting up virtual private networks and making available multiple platforms for collaboration using digital media,
- Triggering business continuity plans — for servicing and recovery, and
- Engaging all business partners digitally and through WFH protocol for business continuity

ABOUT THE COMFORT FINCAP LIMITED**Business Overview**

Our Company was originally incorporated as Parasnath Textiles Limited (PTL) on 12th November, 1982 under the Companies Act, 1956 in the State of West Bengal. Initially The object of the Company was to carry on the business of manufacturers

and dealers in textiles, investment /trading in shares & securities. However, the Company was registered with RBI as a Non Banking Financial Company ('NBFC') on 15th September, 1998 being Registration No. 05.02895 and started NBFC business.

The Company's name was changed from Parasnath Textiles Limited to Comfort Fincap Limited vide fresh certificate of incorporation dated 4th June, 2011.

The Company is providing various financial solutions such as advancing loans against listed Shares & Securities and properties, corporate loans, personal loans, trade financing, bills discounting etc.

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

PRODUCTS & SERVICES

Our Company offers financial services to commercial, industrial and financial clients with a one stop financial solution:- advancing loans against listed Shares, Securities, Properties, Mortgage Loans, Auto / Home

- Margin funding
- Corporate loans
- Personal loans
- Trading in shares & securities
- Trade financing Bills discounting, etc.

FINANCIAL PERFORMANCE

At Standalone and Consolidated Level, the Company registered a revenue from operations of Rs. 578.87 lakhs for the year ended March 31, 2020 as compared to Rs. 738.77 lakhs in the previous financial year ended March 31, 2019. The Net profit stood at Rs. 123.86 lakhs for the year ended March 31, 2020 as compared to the profit of Rs. 278.13 lakhs in the previous financial year ended March 31, 2019.

Details of Significant changes, if any, in the Key Financial Ratios:

Key Ratios	FY19-20	FY 18-19
Debt/Equity Ratio	0.52	0.56
Return on Net worth	0.03	0.08
Interest Coverage Ratio	2.12	3.87
Net profit Ratio	0.21	0.37
Return on Capital Employed	0.094	0.142
EPS	1.14	2.56

SWOT ANALYSIS

STRENGTHS:

- a well-defined and scalable organization structure
- Experienced and stable management team
- The Company has a long standing presence spanning over two decades of financing, resulting in deep understanding of the market that it operates in.
- The Company's biggest strength is its trained manpower. This enables smooth conduct of operation.

WEAKNESS:

- Branding: Our Company is not a well established brand among large NBFC players who have access to larger financial resources.
- Accessibility: We do not have branches so we are unable to explore the business opportunities in other areas.

OPPORTUNITIES AND THREATS

Increase in demand, a supportive operating environment and declining interest rate regime are factors which could support NBFCs ability to improve profitability and shareholder returns. The Company faces stiff competition from Banks and other NBFCs operating in similar areas of business and challenges from regulatory changes in the NBFC and ancillary sectors. However, with its excellent service, foot print, digitalization initiatives and unique differentiators in the product, the Company has been able to continue to expand its business.

OUR STRATEGY

- Expansion of existing activities
- Financial Management/Advisory Services
- Brand recognition
- Retention of customer base with a holistic association approach
- Constant strengthening of risk framework

REGULATORY

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

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

Company is complying with various statutory provisions such as Companies Act, Income tax, Service tax, Stock Exchanges Listing compliances and other applicable laws and regulations applicable to the company.

HUMAN RESOURCES(HR)

As on March 31, 2020, the Company had a total head count of 7 employees. The Directors wish to place on record their appreciation and acknowledgment of the efforts and dedication and contributions made by employees at all levels during the year under review. The Company continues to focus on attracting new talent & help them to acquire new skills, explore new roles and realize their potential.

RISKS & CONCERNS

Risk management involves identification of risk, assessing the impact on business if a security incident occurs, and making the right financial decision about how to deal with the results of one's assessment. It also includes the implementation of a programme to continually measure and assess the effectiveness of existing safeguards in protecting one's critical assets. Thus, managing risks is not a one-time activity; it's an ongoing process. It is also critical to recognize that certain business risks are unavoidable, and have to be dealt with as they arise.

Your Company has directed its effort towards risk management by employing the expertise people and technology to mitigate the risks affecting the growth and profitability of the Company. The Company is constantly engaged in innovating its methods and procedures of risk management.

INDUSTRY RISKS

Competition

Banks which have significant cost of funds advantage can grow their gold loan business by offering lower interest rates than NBFCs, thereby imposing threat to the NBFC gold loan business. Besides, the unorganized sector caters to a large customer segment even today and retain their niche customer segment limiting the growth opportunities of NBFCs

ADVERSE REGULATORY CHANGES

Though adequate regulations have been framed for regulating the sector, any future changes in the regulatory environment have the potential to affect the gold loan NBFC industry. In the face of adverse regulations, the industry players may find the business less profitable, which may affect their sustainability.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. An effective system of internal control allows the NBFCs to assume additional risks in a calculated manner while minimizing financial surprises and protecting itself from significant financial loss. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programmes adopted by our Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic change.

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial control procedure adopted by the Company is adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

CAUTIONARY

Statements in this report pertaining to the Company's objectives, projections, estimates, exceptions and predictions are forward-looking statements subject to the applicable laws and regulations. These statements may be subject to certain risks and uncertainties. The Company's operations are affected by many external and internal factors which are beyond the control of the management. Therefore, the actual position may differ from those expressed or implied. Important factors that could influence the Company's operations include global and domestic financial conditions, changes in government regulations, tax laws, RBI regulations, exchange rate fluctuation, economic developments within the country and other factors such as litigation and industrial relations.

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS,
COMFORT FINCAP LIMITED**

Report on the Audit of the Standalone Financial Statements**Qualified Opinion**

We have audited the accompanying standalone financial statements of Comfort Fincap Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has not provided for defined benefit obligation in the nature of gratuity based on the requirement of Ind AS 19 i.e. "Employee Benefit", which requires defined benefit obligation to be recognised based on actuarial valuation basis. In absence of valuation we are unable to quantify the impact of above on the net profit for the year and liabilities as on reporting date.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Basis for Qualified Opinion Section, we have determined that there are no other key audit matters to communicate in our report.

Emphasis of Matter

1. We draw attention to Note 26 b. to the Financial Statements, which states that with respect to six credit impaired accounts, four secured accounts having aggregate carrying value of Rs.4,65,75,000/- and two unsecured accounts having aggregate carrying value of Rs.1,04,76,918/-, the Management is fully confident of recovering the carrying amount as on 31st March, 2020 and that as a matter of prudence, management has provided for expected credit loss allowance as per the RBI provisioning norms amounting to Rs. 79,87,792/-.

2. We draw attention Note 27 to the Financial Statements, which fully describes that the Company has not granted moratorium any of its customers/borrowers permitted by the Reserve Bank of India vide its circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package' and that the management expects to recover the carrying amounts of the loans granted alongwith the respective interest recognised and accordingly no additional loss allowance has been booked with respect to COVID-19 pandemic situation. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our report is not modified in respect of this matter.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of The Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issues by the Central Government of India in terms of sub section (11) of the section 143 of the Companies Act, 2016, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as described in the Basis for Qualified Opinion paragraph.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial statements. Refer Note 25 to financial statements.
 - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - III. There has been no delay in transferring any amount to be transferred to Investor Education and Protection fund by the Company.

For A.R. Sodha & Co.
Chartered Accountants
FRN 031878

A.R. Sodha
Partner
M No.031878
Place : Mumbai
Date : 20th July, 2020
UDIN : 20031878AAAAAZ2500

ANNEXURE A TO AUDITORS'S REPORT

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. a. According to information and explanations given to us and records furnished before us, the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. The fixed assets have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
c. The company does not have any immovable property and accordingly reporting under clause 3(i)(c) not applicable.
2. The Company's nature of operations does not require it to hold inventories. Therefore reporting under clause 3(ii) of Companies (Auditor's Report) Order, 2016 is not applicable.
3. According to the information and explanation given to us and on the basis of records furnished before us, during the year, the company has granted unsecured loans to two parties covered in the register maintained under section 189 of the Companies Act, 2013.
a. The terms and conditions of the grant of such loan are not prejudicial to the interest of the company.
b. According to information and explanation given to us the loan is repayable on demand and the principal and interest has been repaid as and when demanded.
c. Loan has been repaid as and when demanded and hence there is no overdue amount.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans given. However, the company has not given any guarantees and security, or made any investment, under section 185 and 186 of the Companies Act, 2013.
5. 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 accepted any deposits within the meaning of section 73 to 76 from public during the year. Accordingly clause 3(v) of Companies (Auditor's Report) Order, 2016 is not applicable.
6. According to the information and explanation given to us the Company is not required to maintain cost records as specified under section 148 sub-section (1) of the Companies Act, 2013. Accordingly clause 3(vi) of Companies (Auditor's Report) Order, 2016 is not applicable.
7. a. The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other statutory dues. No undisputed statutory dues as stated above is outstanding as at 31st March for more than six months from the date they become payable.
b. According to information and explanation given to us, there are no disputed statutory dues relating to Income Tax, Cess, Goods and Service Tax or any other statute except as stated below:

Name of statute	Nature of dues	Year(s) to which it pertains	Amount Not Paid (Rs. in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	A.Y. 2012-13	1.98 Lakhs	Commissioner Of Income Tax (Appeals) Rectification yet to be filed with the Assessing Officer. Refer Note 25 to financial statements
Income Tax Act, 1961	Income Tax Demand	AY. 2016-17, AY 2017-18, AY 2018-19, AY 2019-20	12.86 Lakhs	
Income Tax Act, 1961	Income Tax Demand	AY 2018-19	2.11 Lakhs	

8. According to the information and explanation given to us and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
9. According to information and explanation given to us and records examined by us, the company has not raised any money by way of public offers and the term loans raised during the year have been utilized for the purpose for which they have been raised. Accordingly Clause 3(ix) of Companies (Auditor's Report) Order, 2016 is not applicable.
10. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported by its officers or employees during the year nor we have been informed of such instances by the management. Accordingly reporting under clause 3(x) of Companies (Auditor's Report) Order, 2016 is not applicable.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. According the clause 3(xii) of Companies (Auditor's Report) Order, 2016 is not applicable.
13. According to the information and explanation provided to us and based on our examination of the records of the Company, the transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in financial statements as required by the applicable Accounting Standards.
14. According to the information and explanation provide to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
15. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly clause 3(xv) of the Companies (Auditor Report) Order, 2016 is not applicable.
16. The Company is non-banking financial company and is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A. R. SODHA & Co.
Chartered Accountant
FRN 110324W

A. R. Sodha
Partner
M. No 31878
Place : Mumbai
Date : 20th July, 2020
UDIN : 20031878AAAAAZ2500

ANNEXURE B TO AUDITORS'S REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Comfort Fincap Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For A.R. Sodha & Co.
Chartered Accountants
FRN 110324W

A.R. Sodha
Partner
M No. 31878

Place : Mumbai
Date : 20th July, 2020
UDIN : 20031878AAAAAZ2500

COMFORT FINCAP LIMITED

Annual Report 2019-2020

Standalone Balance Sheet as at March 31, 2020

(Amount in INR)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
I ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	2	26,39,837	1,02,80,698	2,45,95,955
(b) Receivables				
i) Trade Receivables	3	18,283	1,68,150	9,28,855
ii) Other Receivables		-	-	-
(c) Loans	4	50,84,60,749	46,80,73,122	37,84,96,407
(d) Investments	5	6,11,47,023	9,39,20,335	9,17,09,718
(e) Other Financial assets (to be specified)	6	11,48,664	23,39,713	24,60,337
		57,34,14,555	57,47,82,017	49,81,91,273
(2) Non-Financial Assets				
(a) Property, plant and equipment	7	1,74,220	2,70,216	2,50,527
		1,74,220	2,70,216	2,50,527
TOTAL ASSETS		57,35,88,775	57,50,52,234	49,84,41,800
II LIABILITIES AND EQUITY				
Liabilities				
(1) Financial Liabilities				
(a) Payables				
(i) Trade payables				
-total outstanding dues of micro enterprises and small enterprises; and		-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	8	12,34,487	6,62,145	12,27,605
(ii) Other payables				
-total outstanding dues of micro enterprises and small enterprises; and		-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Borrowings	9	18,98,29,835	19,92,11,669	15,13,41,694
(b) Other financial liabilities	10	35,31,267	47,62,064	34,08,444
		19,45,95,589	20,46,35,879	15,59,77,743
(2) Non-Financial Liabilities				
(a) Current tax liabilities (Net)	11	87,70,853	52,65,636	20,74,006
(c) Deferred tax liabilities (Net)	12	45,71,792	1,08,39,914	1,00,52,678
		1,33,42,645	1,61,05,550	1,21,26,684
(3) EQUITY				
(a) Equity Share capital	13	10,85,13,000	10,85,13,000	10,85,13,000
(b) Other Equity*		25,71,37,540	24,57,97,806	22,18,24,373
		36,56,50,540	35,43,10,806	33,03,37,373
TOTAL EQUITY AND LIABILITIES		57,35,88,775	57,50,52,234	49,84,41,800
See accompanying notes to the financial statements	1			

* Refer Statement of changes in equity

As per our report of even date

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

Ankur Agrawal
Director
DIN : 06408167

Milin Ramani
Director
DIN : 07697636

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Sneha Mandelia
Company Secretary
ACS: 49137

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(Amount in INR)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	14		
(a)	Interest Income		7,07,12,480	6,59,80,158
(b)	Dividend Income		11,01,332	10,25,919
(c)	Fees and commission Income		30,53,545	18,09,657
(d)	Net gain on derecognition of financial instruments under amortised cost category		(1,82,10,047)	27,84,117
(e)	Sale of services		12,30,000	22,77,500
	Total Revenue from Operations		5,78,87,311	7,38,77,350
II	Other Income	15	1,97,895	3,82,220
III	Total Income (I + II)		5,80,85,206	7,42,59,570
IV	Expenses			
(a)	Finance Costs	16	1,69,03,834	1,35,54,580
(b)	Fees and commission expense	17	5,32,813	20,08,714
(c)	Impairment on financial instruments	18	55,39,585	19,97,680
(d)	Employee Benefit Expenses	19	77,17,258	1,41,78,905
(e)	Depreciation and Amortization Expense	7	95,996	54,873
(f)	Other Expenses	20	84,15,879	35,14,625
	Total Expense		3,92,05,364	3,53,09,376
V	Profit / (loss) before exceptional items and tax (III - IV)		1,88,79,842	3,89,50,194
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		1,88,79,842	3,89,50,194
VIII	Tax Expense:			
(a)	Current Tax		1,27,70,900	1,08,12,600
(b)	Tax of earlier year		(8,476)	(4,61,685)
(c)	Deferred Tax		(62,68,122)	7,87,236
			64,94,302	1,11,38,151
IX	Profit (Loss) for the period (VII-VIII)		1,23,85,539	2,78,12,042
X	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
(i)	Gain/(Loss) on sale of Investments		(10,45,805)	(5,73,500)
(ii)	Fair value changes of equity instruments through other comprehensive income		-	-
			(10,45,805)	(5,73,500)
XI	Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,13,39,735	2,72,38,542
XII	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):			
	Basic (Rs.)	21	1.14	2.56
	Significant Accounting Policies			

As per our report of even date

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Milind Ramani
Director
DIN : 07697636

Sneha Mandelia
Company Secretary
ACS: 49137

COMFORT FINCAP LIMITED

Annual Report 2019-2020

Standalone Cash Flow Statement for the year ended 31st March, 2020

(Amount in INR)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year	1,88,79,842	3,89,50,194
Adjustments for :		
Interest Paid	1,69,03,834	1,35,54,580
Depreciation	95,996	54,873
Profit/(loss) from Sale of Equity Instruments held for trading	(9,45,634)	-
Change in Fair Value of Current Investments	1,91,55,681	(27,84,117)
Impairment on Financial Instruments	55,39,585	19,97,680
Operating Profit before Working Capital change	5,96,29,303	5,17,73,210
Adjustments for :		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories		
Trade receivables	1,49,867	7,60,705
Loans	(4,59,27,212)	(9,15,74,394)
Other financial assets	11,91,049	1,20,624
Other current assets		
Other non-current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	5,72,342	(5,65,460)
Other financial liabilities	(12,30,797)	13,53,620
Short-term provisions		
Long-term provisions	(6,58,455)	-
Cash Generated From Operations	1,43,84,552	(3,81,31,695)
Income Tax paid	92,57,207	71,59,286
NET CASH FROM OPERATING ACTIVITIES Total (A)	51,27,345	(4,52,90,981)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments (Purchased)/Sold	1,35,17,462	
Fixed Assets (Purchased)/Sold	-	(74,562)
NET CASH USED IN INVESTING ACTIVITIES Total (B)	1,35,17,462	(74,562)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Capital		
Dividend Paid	-	(32,65,110)
Loan taken / (Repaid) in Secured Loan	(93,81,834)	4,78,69,975
Interest paid	(1,69,03,834)	(1,35,54,580)
NET CASH FROM FINANCING ACTIVITIES Total (C)	(2,62,85,668)	3,10,50,285
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	(76,40,862)	(1,43,15,258)
Cash and Cash Equivalents -- Opening Balance	1,02,80,698	2,45,95,955
Cash and Cash Equivalents -- Closing Balance	26,39,836	1,02,80,697
	-	-

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

As per our report of even date attached.

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

Ankur Agrawal
Director
DIN : 06408167

Milin Ramani
Director
DIN : 07697636

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Sneha Mandelia
Company Secretary
ACS: 49137

Statement of Changes in Equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

Particulars	Amount(Rs.)
As at 1 April, 2018	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2019	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2020	10,85,13,000

B. Other Equity

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Total other Equity
	Share Premium	Special Reserve	Retained Earnings		
As at 1 April, 2018	8,09,20,000	2,58,76,458	11,50,27,915	0	22,18,24,373
Total Comprehensive Income for the year	-	-	2,78,12,042	(5,73,500.00)	2,72,38,542
Transfer from Profit and Loss	-	-	(51,10,434)	-	(51,10,434)
Transfer to Special Reserve	-	51,10,434.00	-	-	51,10,434
Dividend on Equity Shares	-	-	(27,12,840)	-	(27,12,840)
Tax on Dividend on Equity Shares	-	-	(5,52,270)	-	(5,52,270)
As at 31st March, 2019	8,09,20,000	3,09,86,892	13,44,64,414	-5,73,500	24,57,97,806
Total Comprehensive Income for the year	-	-	1,23,85,539	-10,45,805	1,13,39,735
Transfer from Profit and Loss	-	-	(22,67,947)	-	(22,67,947)
Transfer to Special Reserve	-	22,67,947	-	-	22,67,947
As at 31st March, 2020	8,09,20,000	3,32,54,839	14,45,82,007	-16,19,305	25,71,37,540

As per our report of even date

For A R Sodha & Co.

Chartered Accountants
Firm Reg. No.: 110324W

A.R. Sodha

Partner

Membership No. : 031878

Mumbai, 20th July, 2020

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar

Chief Financial Officer

Mumbai, 20th July, 2020

Milin Ramani

Director
DIN : 07697636

Sneha Mandelia

Company Secretary
ACS: 49137

Standalone Notes to financial statements for the year ended March 31, 2020**NOTE – '1'****SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of Preparation:**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company– Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as ‘Previous GAAP’). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS.

The Company has applied Ind AS 101 ‘First-time Adoption of Indian Accounting Standards’, for transition from previous GAAP to Ind AS. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note no. 24

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

B. Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

C. Critical Accounting Estimates and Judgments

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

D. Revenue Recognition:

i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no.H(i)(d)], the Company recognises interest income as per the management's estimates of its recoverability. If the financial asset is no longer credit-impaired [as outlined in note no. H(i)(d)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization if any.

ii) Dividend Income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Other Revenue from Operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

a) Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

b) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

E. Property, Plant and Equipment:

- i) Property, plant and equipment are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii) Depreciation in fixed assets is calculated on straight-line basis over the estimated useful lives of the assets as follows:

Sr No	Category	Estimated Useful life
1	Motor Vehicle	8 years
2	Air Condition	10 years

- iii) Depreciation on Property, plant and equipment are added or sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2018 measured as per IGAAP as the deemed cost of the property, plant and equipment.

F. Impairment of Non-financial assets

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

G. Employee Benefits :

- Short terms employee benefits are charged to the profit and loss account as and when incurred
- Payments to defined contribution plan are charged to profit & loss account when contributions to respective funds are due.
- Gratuity and Leave encashment payments are accounted for on Payment basis.

H. Financial instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

i) Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified into three categories:

1. Debt instruments at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Equity Instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

3. Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

c. Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

d. Impairment of Financial Assets

Expected Credit Loss (ECL) is recognised for financial assets held under amortised cost and certain loan commitments.

Expected Credit Loss is recognized and measured as per the Asset Provisioning norms prescribed by the Reserve Bank of India and accordingly the Company recognizes a financial asset to be credit impaired by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 6 months
- The loan is otherwise considered to be in default

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to remain credit impaired until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment.

Having satisfied the conditions of timely payment over the observation period these loans could be removed from the credit impaired category and a fresh assessment of the risk of default be done for such loans.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

a. Initial Measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

b. Subsequent Measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

c. Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

iv) Investment in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

I. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- i) the contract involves the use of an identified asset
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below :-

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

“Lease liability” and “Right of Use” asset are separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

J. Borrowing Costs:

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognized as expense in the period in which they are incurred.

K. Taxation:

Provision for income tax has been made in accordance with normal provisions of Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using tax rates and laws that have been substantively enacted as of the balance sheet date. Current and Deferred tax is recognised in Statement of Profit and Loss, except when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

L. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculation diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

M. Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

N. Fair Value Measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 22 and note no. 23.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 - Cash & Cash equivalents

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash & Cash Equivalents			
(a) Balances with Banks :			
- Current Accounts	14,73,684	91,63,294	17,710
- Deposits (under lien with banks)*	10,00,000	10,00,000	2,44,94,968
(b) Cash-in-hand	1,66,153	1,17,404	83,277
TOTAL	26,39,837	1,02,80,698	2,45,95,955

COMFORT FINCAP LIMITED

Annual Report 2019-2020

Note 3 - Trade Receivables

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Due for a period exceeding six months			
- Unsecured, considered good	3,171	-	7,51,355
- Doubtful	-	-	-
Less: Provision for Doubtful Debts	- 3,171	- -	- 7,51,355
	<u>3,171</u>	<u>-</u>	<u>7,51,355</u>
(b) Others			
- Unsecured, considered good	15,112	1,68,150	1,77,500
- Doubtful	-	-	-
Less: Provision for Doubtful Debts	- 15,112	- 1,68,150	- 1,77,500
	<u>15,112</u>	<u>1,68,150</u>	<u>1,77,500</u>
TOTAL	<u>18,283</u>	<u>1,68,150</u>	<u>9,28,855</u>

Note 4 - Loans

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
i) Advances Considered good & in respect of which Company is fully secured	37,71,29,329	36,95,48,001	33,98,90,290
Less: Impairment loss allowance	(15,12,050) 37,56,17,280	(14,81,284) 36,80,66,717	(11,89,616) 33,87,00,674
ii) Advances Considered good for which Company holds no Security other than personal security	8,41,15,806	8,82,08,841	3,08,92,157
Less: Impairment loss allowance	(3,36,463) 8,37,79,343	(3,52,836) 8,78,56,005	(1,08,124) 3,07,84,033
iii) Sub-Standard Advances in respect of which Company is;			
Secured	4,42,38,918	46,00,000	1,00,13,000
Less: Impairment loss allowance	(44,23,892) 3,98,15,026	(4,60,000) 41,40,000	(10,01,300) 90,11,700
iv) Doubtful Advances in respect of which Company is;			
Secured	1,28,13,000	1,00,13,000	-
Less: Impairment loss allowance	(35,63,900) 92,49,100	(20,02,600) 80,10,400	- -
TOTAL	<u>50,84,60,749</u>	<u>46,80,73,122</u>	<u>37,84,96,407</u>

Note 5 - Investments

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At Fair Value through Profit and Loss Account			
In Equity Instruments	3,65,47,023	6,51,02,335	6,23,18,218
At Fair Value through Other Comprehensive Income			
Equity Shares	-	42,18,000	47,91,500
At Cost			
<u>In Equity Shares of Associate Companies - Unquoted Fully paid-up</u>			
220000 (March 2019 and April 2018 - 2,20,000) equity shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)	2,20,00,000	2,20,00,000	2,20,00,000
<u>In Equity Shares of Other Companies - Unquoted Fully paid-up</u>			
200000 (March 2019 and April 2018 - 2,20,000) equity shares of Liquors India Limited (F.V. Rs. 10/- each)	26,00,000	26,00,000	26,00,000
TOTAL	6,11,47,023	9,39,20,335	9,17,09,718

Note 6 - Other Financial Assets

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Interest accrued on Fixed Deposits	8,511	58,732	14,83,701
(b) Prepaid Expenses	4,583	5,521	7,176
(c) Other Advances	13,000	17,000	11,000
(d) Security deposit	1,30,000	13,00,000	-
(e) Income Tax Refund receivable	9,58,460	9,58,460	9,58,460
(f) GST Credit	34,110	-	-
TOTAL	11,48,664	23,39,713	24,60,337

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Note : 7 Property, plant and equipment

(Amount in INR)													
Tangible assets	Gross block				Accumulated depreciation and impairment					Net block			
	Balance as at 1 April, 2018	Additions	Dispos- als	Balance as at 31 March, 2019	Dispos- als	Balance as at 31 March, 2020	Balance as at 1 April, 2018	Depre- ciation / amorti- sation expense for the year	Other adjust- ments	Balance as at 31 March, 2020	Balance as at 31 March, 2019	Balance as at 31 March, 2020	Balance as at 1 April, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10,38,394	-	-	10,38,394	-	10,38,394	9,36,376	28,326	-	-	9,64,702	73,692	-
Air Condition	1,48,509	74,562	-	2,23,071	-	2,23,071	-	26,547	-	-	26,547	22,304	-
Total	11,86,903	74,562	-	12,61,465	-	12,61,465	9,36,376	54,873	-	-	9,91,249	95,996	-

Note 8 - Trade Payables

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Payables	12,34,487	6,62,145	12,27,605
TOTAL	12,34,487	6,62,145	12,27,605

Note 9 - Short Term Borrowings

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At Amortised Cost			
(a) Loans repayable on demand			
From banks			
Secured*	1,65,72,929	2,17,07,784	2,24,98,682
Unsecured	- 1,65,72,929	- 2,17,07,784	- 2,24,98,682
* Secured loans are lien on FDR kept with bank. The interest rate on this facility is FD Interest Rate+1%			
(b) Loans and advances from Others			
Secured**	4,34,10,421	6,88,54,595	12,88,43,012
Unsecured	12,98,46,485	17,32,56,906	10,86,49,290
	17,75,03,885	-	12,88,43,012
** Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 10.75% to 11.50%.			
TOTAL	18,98,29,835	19,92,11,669	15,13,41,694

Note 10 - Other financial Liabilities

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Payables	20,76,198	32,67,955	34,08,444
Un-paid Dividend	14,55,069	14,94,109	-
TOTAL	35,31,267	47,62,064	34,08,444

Note 11 - Current Tax Liabilities (net)

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Taxation (net of Advance tax & TDS)	87,70,853	52,65,636	20,74,006
TOTAL	87,70,853	52,65,636	20,74,006

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Note 12 - Deferred Tax Liabilities (net)

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred Tax Liabilities/(Assets) relates to the following			
Depreciation and amortisation	(66,445)	(60,017)	(68,609)
Unrealised net gain on fair value changes	46,38,237	45,71,792	1,08,99,931
	1,08,39,914	1,01,21,287	1,00,52,678
TOTAL	45,71,792	1,08,39,914	1,00,52,678

Note 13 -Equity Share Capital

(a) Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised :			
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
TOTAL	15,00,00,000	15,00,00,000	15,00,00,000
Issued and Subscribed :			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	10,85,13,000
TOTAL	10,85,13,000	10,85,13,000	10,85,13,000
Subscribed and Paid-up :			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	10,85,13,000
TOTAL	10,85,13,000	10,85,13,000	10,85,13,000

(b) Rights, preferences and restrictions attached to shares

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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, 2020	As at March 31, 2019	As at April 1, 2018
Number of shares at the beginning of the year	1,08,51,300	1,08,51,300	1,08,51,300
Add: Issue of Shares during the year			
Number of shares allotted as fully paid-up during the year	-	-	-
	-	-	-
No. of shares at the end of the year	1,08,51,300	1,08,51,300	1,08,51,300

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

No. of Shares held by	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Nos.	%	Nos.	%	Nos.	%
Luharuka Commotrade Pvt Ltd	38,10,500	35.12%	38,10,500	35.12%	38,10,500	35.12%
Anil Agarwal HUF	11,64,000	10.73%	11,64,000	10.73%	11,64,000	10.73%

Note 14 - Revenue from Operations

Particulars	For the year ended March 31, 2020		(Amount in INR) For the year ended March 31, 2019	
(a) Income from Operation				
<u>Interest Income</u>				
From Loans & Advances	7,06,48,574		6,58,06,741	
From Term deposits	63,906	7,07,12,480	1,73,417	6,59,80,158
Financial Advisory & Consultancy		12,30,000		22,77,500
Profit/(loss)from Sale of Equity Instruments held for trading		9,45,634		-
Change in Fair Value of Equity Instruments held for trading		(1,91,55,681)		27,84,117
(A)		5,37,32,433		7,10,41,775
(b) <u>Other operating Income</u>				
Loan Processing Fee received		30,53,545		18,09,657
Dividend Income		11,01,332		10,25,919
Long Term Capital Gain / (Loss)		-		-
(B)		41,54,877		28,35,576
TOTAL (A+B)		5,78,87,311		7,38,77,350

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Note 15 - Other Income

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Misc. income	1,97,895	3,82,220
TOTAL	1,97,895	3,82,220

Note 16 - Financial Costs

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	1,69,03,834	1,35,54,580
TOTAL	1,69,03,834	1,35,54,580

Note 17 - Fees and commission expense

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission Expenses	5,32,813	20,08,714
TOTAL	5,32,813	20,08,714

Note 18 - Impairment on financial instruments

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Advances	55,39,585	19,97,680
TOTAL	55,39,585	19,97,680

Note 19 - Employment Benefit Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries , Bonus & Allowances	73,67,348	1,37,20,063
PF Expenses	1,21,309	2,84,223
Staff Insurance Expenses	38,495	35,244
Staff Welfare Expenses	1,90,106	1,39,375
TOTAL	77,17,258	1,41,78,905

Note 20 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	42,394	27,971
Annual Listing fees	3,27,000	2,99,750
Business promotion expenses	2,01,222	72,564
Custodial Fees	95,140	1,09,000
Director's Sitting Fees	2,94,300	2,28,900
Insurance Expenses	7,813	9,734
Loan Processing Fee paid	-	2,200
Legal, Professional & Technical Charges	15,45,605	8,68,046
Miscellaneous Expenses	15,11,294	2,64,507
Printing, Postage & Stationery Expenses	2,98,145	2,42,724
Professional Tax	2,500	2,500
Payments to Auditors :		
- Audit & Tax Audit fees	2,80,250	2,25,000
- For Other Services	-	-
Travelling & Conveyance Expenses	29,32,898	3,08,571
Telephone Expenses	1,32,211	1,67,295
Repairs & Maintenance Expenses	1,45,107	85,863
Rent Expenses	6,00,000	6,00,000
TOTAL	84,15,879	35,14,625

Note 21 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	1,23,85,539	2,78,12,042
Add/Less: Adjustment relating to potential equity shares	- 1,23,85,539	- 2,78,12,042
Net profit after tax attributable to equity shareholders for	1,23,85,539	2,78,12,042
Diluted EPS		
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	1,08,51,300	1,08,51,300
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	1.14	2.56

Note 22- Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation Framework

The Group has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Group's valuation framework includes:

Benchmarking prices against observable market prices or other independent sources;

Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation Framework

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Fair values of Investments held for trading under FVTPL have been determined under level 1 (refer note no. 24) using quoted market prices of the underlying instruments;

Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

The Group has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Note 23- Fair Value Hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31/03/2020	3,65,47,023	-	-	3,65,47,023
Equity instrument classified under FVOCI	31/03/2020	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2019

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31/03/2019	6,51,02,335	-	-	6,51,02,335
Equity instrument classified under FVOCI	31/03/2019	42,18,000	-	-	42,18,000

Quantitative disclosures of fair value measurement hierarchy for assets as at 01 April 2018

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	01/04/2018	6,23,18,218	-	-	6,23,18,218
Equity instrument classified under FVOCI	01/04/2018	47,91,500	-	-	47,91,500

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Fair Value of Financial Instruments not measured at fair value as at 31 March 2020

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	26,39,837	26,39,837	-	-	26,39,837
Receivables					
i) Trade Receivables	18,283	-	-	18,283	18,283
ii) Other Receivables	-	-	-	-	-
Loans	50,84,60,749	-	-	50,84,60,749	50,84,60,749
Investments	2,46,00,000	-	-	2,46,00,000	2,46,00,000
Other Financial assets (to be specified)	11,48,664	-	-	11,48,664	11,48,664
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of creditors other than micro enterprises and small enterprises	12,34,487	-	-	12,34,487	12,34,487
(i) Other payables	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Borrowings	18,98,29,835	-	-	18,98,29,835	18,98,29,835
Other financial liabilities	35,31,267	-	-	35,31,267	35,31,267

Fair Value of Financial Instruments not measured at fair value as at 31 March 2019

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	1,02,80,698	1,02,80,698	-	-	2,05,61,396
Receivables					
i) Trade Receivables	1,68,150	-	-	1,68,150	3,36,300
ii) Other Receivables	-	-	-	-	-
Loans	46,80,73,122	-	-	46,80,73,122	93,61,46,243
Investments	9,39,20,335	-	-	9,39,20,335	18,78,40,670
Other Financial assets (to be specified)	23,39,713	-	-	23,39,713	46,79,426
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of creditors other than micro enterprises and small enterprises	6,62,145	-	-	6,62,145	6,62,145
(i) Other payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of creditors other than micro enterprises and small enterprises					
Borrowings	19,92,11,669	-	-	19,92,11,669	19,92,11,669
Other financial liabilities	47,62,064	-	-	47,62,064	47,62,064

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Fair Value of Financial Instruments not measured at fair value as at 1 April 2018

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	2,45,95,955	2,45,95,955	-	-	2,45,95,955
Receivables	-	-	-	-	-
i) Trade Receivables	9,28,855	-	-	9,28,855	9,28,855
ii) Other Receivables	-	-	-	-	-
Loans	37,84,96,407	-	-	37,84,96,407	37,84,96,407
Investments	9,17,09,718	-	-	9,17,09,718	9,17,09,718
Other Financial assets (to be specified)	24,60,337	-	-	24,60,337	24,60,337
Financial Liabilities					
Payables	-	-	-	-	-
(i) Trade payables	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	12,27,605	-	-	12,27,605	12,27,605
(i) Other payables	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Borrowings	15,13,41,694	-	-	15,13,41,694	15,13,41,694
Other financial liabilities	34,08,444	-	-	34,08,444	34,08,444

Note 24 - Transition to Ind AS on First time Adoption

a) Principles & Reconciliations

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2019, with a transiting date of 1st April, 2018. These financial statements for the year ended 31st March, 2020 are the first financial statements prepared in accordance with Ind-AS

The Company has prepared opening Balance Sheet as per Ind AS as of 1st April, 2018 (transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, derecognizing items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. However, this principle is subject to the exception and certain optional exemptions availed by the Company under Ind AS 101 is as follows:

A) Mandatory exceptions and optional exceptions availed

i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv) Impairment of financial assets

As set out in Ind AS 101 an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

v) Investment in Associate

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1 April, 2018 in its separate financial statements.

vi) Deemed cost of property, plant and equipment:

The Company has opted to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment recognised as of 1st April, 2018 (transition date) and use that carrying value as deemed cost of such assets as of transiting date.

vii) Designate of previously recognised financial instrument

The company has opted this exemption to designate the financial asset at FVTPL as per Ind AS 109 based on facts and circumstances that existed as on transition date.

b) First Time Ind-AS Adoption Reconciliations**i) Effect of Ind AS adoption on the Balance sheet as at 31st March, 2019 and 1st April, 2018**

Particulars	Balance Sheet as at 31st Mar, 2019			Balance Sheet as at 1st April, 2018		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(1) ASSETS						
Financial Assets						
(a) Cash and cash equivalents	1,02,80,698	-	1,02,80,698	2,45,95,957	-2	2,45,95,955
(b) Receivables						
(i) Trade Receivables	1,68,150	-	1,68,150	9,28,855	-	9,28,855
(ii) Other Receivables	-	-	-	-	-	-
(c) Loans	46,88,46,049	-7,72,927	46,80,73,122	37,84,96,407	0	37,84,96,407
(d) Investments	4,98,54,004	4,40,66,331	9,39,20,335	5,08,89,922	4,08,19,796	9,17,09,718
(e) Other Financial assets (to be specified)	23,39,713	-	23,39,713	24,60,337	-	24,60,337
Non-Financial Assets						
(b) Property, plant and equipment	2,70,216	-	2,70,216	2,50,527	-	2,50,527
TOTAL ASSETS	53,17,58,830	4,32,93,404	57,50,52,234	45,76,22,005	4,08,19,795	49,84,41,800
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
(a) Payables						
(i) Trade payables						
- total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,62,145	-	6,62,145	12,27,605	-	12,27,605
(ii) Other payables						

Particulars	Balance Sheet as at 31st Mar, 2019			Balance Sheet as at 1st April, 2018		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
- total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings	19,92,11,669	-	19,92,11,669	15,13,41,694	-	15,13,41,694
(c) Other financial liabilities	47,62,064	-	47,62,064	34,08,444	-	34,08,444
Non-current liabilities						
(a) Current tax liabilities (Net)	52,65,636	-	52,65,636	20,74,006	-	20,74,006
(b) Deferred tax liabilities (Net)	-	1,08,39,914	1,08,39,914	-	1,00,52,678	1,00,52,678
Equity						
(a) Equity Share capital	10,85,13,000	-	10,85,13,000	10,85,13,000	-	10,85,13,000
(b) Other Equity*	21,33,44,315	3,24,53,491	24,57,97,806	19,10,57,255	3,07,67,118	22,18,24,373
TOTAL EQUITY AND LIABILITIES	53,17,58,830	4,32,93,405	57,50,52,234	45,76,22,005	4,08,19,795	49,84,41,800

ii) Effect of Ind AS adoption on profit and loss for the year ended on 31-3-2019

Particulars	For the year ended 31 March, 2019		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from Operations	7,08,30,242	30,47,108	7,38,77,350
Other Income	3,82,220	-	3,82,220
Total Revenue	7,12,12,462	30,47,108	7,42,59,570
Expenses			
Finance Costs	1,35,54,580	-	1,35,54,580
Fees and commission expense	20,08,714	-	20,08,714
Impairment on financial instruments	19,97,680	-	19,97,680
Employee Benefit Expenses	1,41,78,905	-	1,41,78,905
Depreciation and Amortization Expense	54,873	-	54,873
Other Expenses	35,14,625	-	35,14,625
Total Expenses	3,53,09,376	-	3,53,09,376
Profit/(loss) before tax	3,59,03,085	30,47,108	3,89,50,194

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Particulars	For the year ended 31 March, 2019		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Tax Expense:			
(a) Current Tax	1,08,12,600	-	1,08,12,600
(b) Deferred Tax	-	7,87,236	7,87,236
(c) I.Tax of earlier years w/off	(4,61,685)	-	(4,61,685)
	1,03,50,915	7,87,236	1,11,38,151
Profit (Loss) after tax for the period from continuing operations	2,55,52,170	22,59,872	2,78,12,042
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Gain/(Loss) on sale of Investments	-	(5,73,500)	(5,73,500)
(ii) Fair value changes of equity instruments through other comprehensive income			
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	2,55,52,170	16,86,372	2,72,38,542

iii) Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP

Particulars	Notes	Total comprehensive income	Total Equity	
		Mar-19	Mar-19	Apr-18
Net Profit/Total equity (shareholder's fund) under Previous GAAP		2,55,52,170	32,18,57,315	29,95,70,255
Adoption of Effective Interest Rate (EIR) for amortisation of income related to financial asset	1	(7,72,927)	(7,72,927)	-
Adoption of Fair Market Valuation Model for Investments	2	38,20,035	4,40,66,331	4,08,19,796
Deferred Tax	3	(7,87,236)	(1,08,39,914)	(1,00,52,678)
Profit/(loss) before Other Comprehensive Income/ Total Equity under Ind AS Ind AS		2,78,12,042	35,43,10,805	33,03,37,373
Other comprehensive income (net of tax)	2	(5,73,500)		
Total Comprehensive income as per Ind AS		2,72,38,542		

Explanation for reconciliation of Total Equity and Other Comprehensive income as previously reported under IGAAP to Ind AS

1. Adoption of Effective Interest Rate (EIR) for amortisation of income related to financial asset :

Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings

are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

2. Adoption of Fair Market Valuation Model for Investments:

Certain financial instruments / investments have been recorded at fair value as at 1 April 2018 with the resultant gain / loss in the retained earnings. For subsequent measurement, these instruments / investments have been valued at fair value through profit and loss (FVTPL) / fair value through other comprehensive income.

3. Deferred Tax:

Deferred tax impact is on account of differences between Previous GAAP and Ind AS.

25. Contingent Liabilities and Commitments

Particulars	2019-2020 (Rs.)	2018-2019 (Rs.)
i) Contingent Liabilities		
a) Income Tax Demand (Appeal has been filed against the order)	198,880	-
ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account	-	-

*In addition to the above:

- There is a demand of Rs. 12,85,836 (AY 16-17, AY 17-18, AY 18-19, AY 19-20) pertaining to TDS Credit claimed which is not yet paid by the parties who had deducted the TDS. The Company is in the process of filing the rectification and is following up with the respective parties and is confident that the amount will be paid by them and the said demand will be reversed.
- In the intimation u/s 143 (1) for AY 18-19 received by the Company, due to technical error while filing the return, the Income Tax Department has considered Long Term Capital Gain amounting to Rs 7,66,783/-, which is exempt from Income Tax, under the head Business Income and taxed the same. The necessary rectifications will be filed and the management is confident that the said demand will be reversed.

26. Loans Given:

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

Particulars	2019-2020 (Rs.)	2018-2019 (Rs.)
Secured against Immovable Property	9,80,88,327	6,22,43,045
Secured against Shares	28,36,44,569	21,57,65,627
Secured against bill discounting	6,64,66,738	6,18,81,618

- b. With respect to six credit impaired accounts, Four Secured accounts having aggregate carrying value of Rs.4,65,75,000/- and two unsecured accounts having aggregate carrying value of Rs.1,04,76,918/- the Management of the Company is quite confident of recovering the entire carrying amount as on 31st March, 2020 based on sufficient security cover with respect to Secured accounts and based on ongoing discussion with respect to unsecured accounts. However, as a matter of prudence, management has provided for expected credit loss allowance as per the RBI provisioning norms amounting to Rs.79,87,792/-.
- c. In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company is equal to the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

27. The outbreak of COVID 19 pandemic and consequent lockdown has impacted business and operations of the Company in the last week of March 2020. The Company has not granted moratorium to any of its customers/borrowers permitted by the Reserve Bank of India vide its circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package'

The Company's assessment of impairment loss allowance on its loans and other assets is subject to a number of management judgments and estimates. In relation to COVID-19, judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The methodologies and assumptions applied in the determination of the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the period ended December 2019. The Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of the loans granted alongwith the respective interest. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

28. Auditors' Remuneration

For Audit Fees

2019-2020	2018-2019
Rs. 2,60,000	Rs. 2,25,000
Rs. 2,60,000	Rs. 2,25,000

29. Foreign Currency Transactions:

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

30. Earnings per Share:

Basic & Diluted

2019-2020	2018-2019
Rs. 1.14	Rs. 2.56

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

32. There are no dues to Micro and Small Enterprises as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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

A. Name of the related parties & description of relationship

- a) Key Managerial Personnel : Mr. Ankur Agrawal (Director)
Mr. Devendra Lal Thakur (Director)
Mr. Milin Ramani (Director)
Ms. Divya Padhiyar (Additional Director)
(appointed w.e.f. October 30, 2019)
Mrs. Nirmala H. Kanjar (CFO)
Mr. Bharat Shiroya (CEO)
Ms. Sneha Mandelia (CS) (Appointed w.e.f. July 01, 2020)
- b) Promoters and their relatives: Anil Agrawal –HUF (Promoter)
Luharuka Commotrade Pvt. Ltd. (Promoter)
Luharuka Sales & Services Pvt. Ltd. (Promoter)
Mrs. Annu Agrawal (Relative)
Ms. Deepika Agrawal (Relative)
- c) Associate Company : Lemonade Share & Securities Pvt. Ltd.
- d) Group Companies : Comfort Securities Limited
Liquors India Limited
Comfort Capital Pvt. Ltd.
Luharuka Media and Infra Limited
Luharuka Investment & Consultants Pvt. Ltd.
Comfort Intech Limited

B. Transactions during the year with related parties:-

(Amount in INR)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
1	i) Loan Given			
	Comfort Capital Pvt. Ltd.	- -	- -	- (3,34,00,000)
	Deepika Agrawal	- -	1,20,00,000 (2,05,00,000)	- -
	Luharuka Commotrade Pvt. Ltd.	- -	10,00,000 (45,00,000)	- -
	Luharuka Sales & Services Pvt. Ltd.	- -	3,65,00,000 -	- -
	Luharuka Investment & Consultants Pvt. Ltd.	- -	- -	2,67,00,000 (14,50,000)
	Flora Fountain properties Ltd.	- -	- -	1,47,00,000 (6,99,65,448)

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(Amount in INR)				
Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
	Luharuka Media & Infra Limited	-	-	-
		-	-	(1,55,00,000)
	Liquors India Ltd	-	-	-
		-	-	(5,31,00,000)
	ii) Loan Received Back			
	Comfort Capital Pvt. Ltd.	-	-	1,55,00,000
		-	-	(1,50,00,000)
	Flora Fountain properties Ltd.	-	-	1,47,00,000
		-	-	(6,99,65,448)
	Luharuka Sales & Services Pvt. Ltd	-	35,00,000	-
		-	-	-
	Luharuka Media & Infra Limited	-	-	-
		-	-	(1,55,00,000)
	Liquors India Ltd	-	-	-
		-	-	(5,31,00,000)
2	i) Loan taken			
	Luharuka Media & Infra Limited	-	-	-
		-	-	(50,00,000)
	Comfort Intech Limited	-	-	13,70,00,000
		-	-	(11,55,00,000)
	Comfort Securities Limited	-	-	-
		-	-	(2,40,00,000)
	ii) Loan Repaid			
	Luharuka Media & Infra Limited	-	-	-
		-	-	(50,00,000)
	Comfort Intech Limited	-	-	14,55,00,000
		-	-	(2,35,00,000)
	Comfort Securities Limited	-	-	-
		-	-	(2,40,00,000)
3	Security deposit paid			
	Annu Agrawal	-	-	-
		-	(10,00,000)	-
	Anil Agrawal –HUF	-	-	-
		-	(10,00,000)	-
	Security deposit received back			
	Annu Agrawal	-	7,70,000	-
		-	(1,00,000)	-
	Anil Agrawal –HUF	-	4,00,000	-
		-	(6,00,000)	-

(Amount in INR)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
4	Income			
	Comfort Capital Pvt. Ltd.	- -	- -	17,12,163 (10,56,456)
	Deepika Agrawal	- -	38,10,377 (9,49,476)	- -
	Luharuka Commotrade Pvt. Ltd.	- -	7,49,474 (3,18,500)	- -
	Luharuka Sales & Services Pvt. Ltd	- -	24,81,212 -	- -
	Luharuka Investment & Consultants Pvt. Ltd.	- -	- -	18,85,073 (79,509)
	Flora Fountain properties Ltd.	- -	- -	1,26,083 (22,37,675)
	Luharuka Media & Infra Limited	- -	- -	- (1,37,833)
	Liquors India Ltd	- -	- -	- (23,21,014)
5	Expenses			
	Demat Charges Paid			
	Comfort Securities Limited	- -	- -	1,041 (6,375)
	Brokerage Paid			
	Comfort Securities Limited	- -	- -	28,423 -
	Office Rent Paid			
	Anil Agrawal –HUF	- -	3,00,000 (2,40,000)	- -
	Annu Agrawal	- -	3,00,000 (2,40,000)	- -
	Remuneration			
	Bharat Shiroya	24,00,000 (24,81,333)	- -	- -
	Nirmala H Kanjar	8,08,850 (10,09,940)	- -	- -
	Deepika Agrawal	- -	14,00,000 (14,00,000)	- -
	Ankur Agrawal	- -	5,25,000 (24,50,000)	- -

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(Amount in INR)				
Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
	Nidhi Busa	7,600 (36,000)	- -	- -
	Interest Paid			
	Luharuka Media & Infra Limited	- -	- -	- (95,500)
	Comfort Intech Limited	- -	- -	69,38,866 (39,86,205)
	Comfort Securities Limited	- -	- -	- (4,80,500)
	Director Sitting fee Paid			
	Annu Agrawal	- -	10,000 (20,000)	- -
	Anil Agrawal	- -	20,000 (10,000)	- -
	Anilkumar Nevatia	- (70,000)	- -	- -
	Devendralal Thakur	90,000 (70,000)	- -	- -
	Jugal Thacker	15,000 (40,000)	- -	- -
	Ankur Agrawal	55,000 -	- -	- -
	Milin Ramani	60,000 -	- -	- -
	Divya Padhiyar	20,000 -	- -	- -
	Amount outstanding as at Balance Sheet date			
	Loan Given			
	Comfort Capital Pvt. Ltd.	-	-	35,47,839
	Deepika Agrawal	-	3,39,80,477	-
	Luharuka Commotrade Pvt. Ltd.	-	60,16,470	-
	Luharuka Sales & Services Pvt. Ltd.	-	3,50,45,590	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2,83,58,415
	Loan taken			
	Comfort Intech Limited	-	-	8,35,00,000

Figure in bracket relates to previous year.

34. Segment Reporting

In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the Ind AS 108.

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

As per our report of even date

For A R Sodha & Co.

Chartered Accountants
Firm Reg. No.: 110324W

A.R. Sodha

Partner

Membership No. : 031878

Mumbai, 20th July, 2020

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar

Chief Financial Officer

Mumbai, 20th July, 2020

Milin Ramani

Director
DIN : 07697636

Sneha Mandelia

Company Secretary
ACS: 49137

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS,
COMFORT FINCAP LIMITED****Report on the Audit of the Consolidated Financial Statements****Qualified Opinion**

We have audited the accompanying consolidated financial statements of Comfort Fincap Limited (hereinafter referred to as the 'Holding Company') and its associate (together referred to as 'Group') which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

The Holding Company has not provided for defined benefit obligation in the nature of gratuity based on the requirement of Ind AS 19 i.e. "Employee Benefit", which requires defined benefit obligation to be recognised based on actuarial valuation basis. In absence of valuation we are unable to quantify the impact of above on the net profit for the year and liabilities as on reporting date.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Emphasis of Matter

1. We draw attention to Note 26b. to the Financial Statements, which states that with respect to six credit impaired accounts, four secured accounts having aggregate carrying value of Rs.4,65,75,000/- and two unsecured accounts having aggregate carrying value of Rs.1,04,76,918/-, the Management is fully confident of recovering the carrying amount as on 31st March, 2020 and that as a matter of prudence, management has provided for expected credit loss allowance as per the RBI provisioning norms amounting to Rs. 79,87,792/-.
2. We draw attention Note 27 to the Financial Statements, which fully describes that the Holding Company has not granted moratorium any of its customers/borrowers permitted by the Reserve Bank of India vide its circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package' and that the management expects to recover the carrying amounts of the loans granted alongwith the respective interest recognised and accordingly no additional loss allowance has been booked with respect to COVID-19 pandemic situation. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report

Responsibilities of Management for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of Holding company and its associates are responsible for assessing the ability of the Holding Company and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding company and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated financial statements also include the Group's share of loss of Rs. 283 for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one associates, whose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is solely based on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
- d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as described in the Basis for Qualified Opinion paragraph.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of the Holding Company and its associate company is disqualified a none of the disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate. Refer Note 25 to financial statements
 - II. According to the information given to us, the company has not entered into any long-term contracts including derivative contracts.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its associate companies.

For A.R. Sodha & Co.
Chartered Accountants
FRN 110324W

A.R. Sodha
Partner
M No.031878
Place : Mumbai
Date : 20th July, 2020
UDIN : 20031878AAAABA8189

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMFORT FINCAP LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Comfort Fincap Limited (hereinafter referred to as "the Holding Company") and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of its associate which are companies incorporated in India, is based on the corresponding report of the auditor of such associate incorporated in India.

For A.R. Sodha & Co.
Chartered Accountants
FRN 110324W

A.R. Sodha
Partner
M No. 31878

Place : Mumbai
Date : 20th July, 2020
UDIN : 20031878AAAABA8189

COMFORT FINCAP LIMITED

Annual Report 2019-2020

Consolidate Balance Sheet as at March 31, 2020

(Amount in INR)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
I ASSETS				
(1) Financial Assets				
(a) Cash and cash equivalents	2	26,39,837	1,02,80,698	2,45,95,955
(b) Bank Balance other than (a) above		-	-	-
(c) Receivables				
i) Trade Receivables	3	18,283	1,68,150	9,28,855
ii) Other Receivables		-	-	-
(d) Loans	4	50,84,60,748	46,80,73,122	37,84,96,407
(e) Investments	5	6,14,50,597	9,42,23,626	9,20,12,528
(f) Other Financial assets (to be specified)	6	11,48,664	23,39,713	24,60,337
		57,37,18,128	57,50,85,309	49,84,94,082
(2) Non-Financial Assets				
(a) Property, plant and equipment	7	1,74,220	2,70,216	2,50,527
(b) Other non-financial assets		-	-	-
		1,74,220	2,70,216	2,50,527
TOTAL ASSETS		57,38,92,348	57,53,55,525	49,87,44,610
II LIABILITIES AND EQUITY				
Liabilities				
(1) Financial Liabilities				
(a) Payables				
(i) Trade payables				
-total outstanding dues of micro enterprises and small enterprises; and		-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	8	12,34,487	6,62,145	12,27,605
(ii) Other payables				
-total outstanding dues of micro enterprises and small enterprises; and		-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Borrowings	9	18,98,29,835	19,92,11,669	15,13,41,694
(c) Other financial liabilities	10	35,31,267	47,62,064	34,08,444
		19,45,95,589	20,46,35,879	15,59,77,743
(2) Non-Financial Liabilities				
(a) Current tax liabilities (Net)	11	87,70,853	52,65,636	20,74,006
(b) Deferred tax liabilities (Net)	12	45,71,792	1,08,39,914	1,00,52,678
		1,33,42,645	1,61,05,550	1,21,26,684
(3) EQUITY				
(a) Equity Share capital	13	10,85,13,000	10,85,13,000	10,85,13,000
(b) Other Equity*		25,74,41,114	24,61,01,097	22,21,27,183
		36,59,54,114	35,46,14,097	33,06,40,183
TOTAL EQUITY AND LIABILITIES		57,38,92,348	57,53,55,525	49,87,44,610
See accompanying notes to the financial statements	1			

* Refer Statement of changes in equity

As per our report of even date

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

Ankur Agrawal
Director
DIN : 06408167

Milin Ramani
Director
DIN : 07697636

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Sneha Mandelia
Company Secretary
ACS: 49137

Consolidate Statement of Profit and Loss for the year ended March 31, 2020

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	14		
(a) Interest Income		7,07,12,480	6,59,80,158
(b) Dividend Income		11,01,332	10,25,919
(c) Fees and commission Income		30,53,545	18,09,657
(d) Net gain on derecognition of financial instruments under amortised cost category		(1,82,10,047)	27,84,117
(e) Sale of services		12,30,000	22,77,500
(f) Others (to be specified)]		-	-
Total Revenue from Operations		5,78,87,311	7,38,77,350
II Other Income	15	1,97,895	3,82,220
III Total Income (I + II)		5,80,85,206	7,42,59,570
IV Expenses			
(a) Finance Costs	16	1,69,03,834	1,35,54,580
(b) Fees and commission expense	17	5,32,813	20,08,714
(c) Impairment on financial instruments	18	55,39,585	19,97,680
(d) Employee Benefit Expenses	19	77,17,258	1,41,78,905
(e) Depreciation and Amortization Expense	7	95,996	54,873
(f) Other Expenses	20	84,15,879	35,14,625
Total Expense		3,92,05,364	3,53,09,376
V Profit / (loss) before exceptional items and tax (III - IV)		1,88,79,842	3,89,50,194
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		1,88,79,842	3,89,50,194
VIII Tax Expense:			
(a) Current Tax		1,27,70,900	1,08,12,600
(b) Tax of earlier year		(8,476)	(4,61,685)
(c) Deferred Tax		(62,68,122)	7,87,236
		64,94,302	1,11,38,151
IX Profit (Loss) for the period (VII-VIII)		1,23,85,539	2,78,12,042
X Add : Share of (Profit)/Loss of Associate		283	482
XI Profit for the Period (after adjustment for Associate (IX + X))		1,23,85,822	2,78,12,524
XII Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Gain/(Loss) on sale of Investments		(10,45,805)	(5,73,500)
(ii) Fair value changes of equity instruments through other comprehensive income		-	-
		(10,45,805)	(5,73,500)
XIII Total Comprehensive Income for the period (IX+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,13,40,017	2,72,39,024
XIV Earnings Per Equity Share (Face Value Rs. 10/- Per Share):			
Basic (Rs.)	21	1.14	2.56
Significant Accounting Policies			

As per our report of even date

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

Ankur Agrawal
Director
DIN : 06408167

Milin Ramani
Director
DIN : 07697636

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Sneha Mandelia
Company Secretary
ACS: 49137

COMFORT FINCAP LIMITED

Annual Report 2019-2020

Consolidate Cash Flow Statement for the year ended 31st March, 2020

(Amount in INR)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year	1,88,79,842	3,89,50,194
Adjustments for :		
Interest Paid	1,69,03,834	1,35,54,580
Depreciation	95,996	54,873
Profit/(loss)from Sale of Equity Instruments held for trading	(9,45,634)	-
Change in Fair Value of Current Investments	1,91,55,681	(27,84,117)
Impairment on Financial Instruments	55,39,585	4,07,49,461
Operating Profit before Working Capital change	5,96,29,303	19,97,680
Adjustments for :		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories		
Trade receivables	1,49,867	7,60,705
Loans	(4,59,27,212)	(9,15,74,394)
Other financial assets	11,91,049	1,20,624
Other current assets		
Other non-current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	5,72,342	(5,65,460)
Other financial liabilities	(12,30,797)	13,53,620
Short-term provisions		
Long-term provisions	(6,58,455)	-
Cash Generated From Operations	1,43,84,552	(3,81,31,695)
Income Tax paid	92,57,207	71,59,286
NET CASH FROM OPERATING ACTIVITIES Total (A)	51,27,345	(4,52,90,981)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments (Purchased)/Sold	1,35,17,462	
Fixed Assets (Purchased)/Sold	-	(74,562)
NET CASH USED IN INVESTING ACTIVITIES Total (B)	1,35,17,462	(74,562)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Capital		
Dividend Paid	-	(32,65,110)
Loan taken / (Repaid) in Secured Loan	(93,81,834)	4,78,69,975
Interest paid	(1,69,03,834)	(1,35,54,580)
NET CASH FROM FINANCING ACTIVITIES Total (C)	(2,62,85,668)	3,10,50,285
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	(76,40,861)	(1,43,15,258)
Cash and Cash Equivalents -- Opening Balance	1,02,80,698	2,45,95,955
Cash and Cash Equivalents -- Closing Balance	26,39,837	1,02,80,697
	-	-

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

As per our report of even date

For A R Sodha & Co.
Chartered Accountants
Firm Reg. No.: 110324W

Ankur Agrawal
Director
DIN : 06408167

Milin Ramani
Director
DIN : 07697636

A.R. Sodha
Partner
Membership No. : 031878
Mumbai, 20th July, 2020

Nirmala Kanjar
Chief Financial Officer
Mumbai, 20th July, 2020

Sneha Mandelia
Company Secretary
ACS: 49137

Statement of Changes in Equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

Particulars	Amount(Rs.)
As at 1 April, 2018	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2019	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2020	10,85,13,000

B. Other Equity

Particulars	Other Equity				
	Reserve and Surplus			Other Comprehensive Income	Total other Equity
	Share Premium	Special Reserve	Retained Earnings		
As at 1 April, 2018	8,09,20,000	2,58,76,614	11,53,30,569	0	22,21,27,183
Total Comprehensive Income for the year	-	-	2,78,12,524	(5,73,500.00)	2,72,39,024
Transfer from Profit and Loss	-	-	(51,10,434)	-	(51,10,434)
Transfer to Special Reserve	51,10,434	-	-	-	51,10,434
Dividend on Equity Shares	-	-	(27,12,840)	-	(27,12,840)
Tax on Dividend on Equity Shares	-	-	(5,52,270)	-	(5,52,270)
As at 31st March, 2019	8,60,30,434	2,58,76,614	13,47,67,549	-5,73,500	24,61,01,097
Total Comprehensive Income for the year	-	-	1,23,85,822	-10,45,805	1,13,40,017
Transfer from Profit and Loss	-	-	(22,68,003)	-	(22,68,003)
Transfer to Special Reserve	22,68,003	-	-	-	22,68,003
As at 31st March, 2020	8,82,98,437	2,58,76,614	14,48,85,368	-16,19,305	25,74,41,114

As per our report of even date

For A R Sodha & Co.

Chartered Accountants
Firm Reg. No.: 110324W

A.R. Sodha
Partner

Membership No. : 031878
Mumbai, 20th July, 2020

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar

Chief Financial Officer

Mumbai, 20th July, 2020

Milind Ramani

Director
DIN : 07697636

Sneha Mandelia

Company Secretary
ACS: 49137

Consolidated Notes to financial statements for the year ended March 31, 2020**NOTE – '1'****SIGNIFICANT ACCOUNTING POLICIES:****A. PRINCIPLES OF CONSOLIDATION**

Investment in associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23- "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

The Difference between the cost of Investment in the associates and the Company's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

The financial statements of the associate used in the consolidation is drawn up to the same reporting date as that of the company i.e. 31st March 2020

The list of associates which are included in the consolidation and the Group's holdings therein are as under:

Name of the Company	% Shareholding of Comfort Fincap Ltd.	
	F.Y. 2019-2020	F.Y. 2018-2019
Lemonade Share & Securities Private Limited	46.81	46.81

B. Basis of Preparation:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company– Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS.

The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note no. 24.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

C. Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

D. Critical Accounting Estimates and Judgments

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

E. Revenue Recognition:

i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no.H(i)(d)], the Company recognises interest income as per the management's estimates of its recoverability. If the financial asset is no longer credit-impaired [as outlined in note no. H(i)(d)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realization if any.

ii) Dividend Income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Other Revenue from Operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance

obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

a) Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

b) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

F. Property, Plant and Equipment:

- i) Property, plant and equipment are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii) Depreciation in fixed assets is calculated on straight-line basis over the estimated useful lives of the assets as follows:

Sr No	Category	Estimated Useful life
1	Motor Vehicle	8 years
2	Air Condition	10 years

- iii) Depreciation on Property, plant and equipment are added or sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2018 measured as per IGAAP as the deemed cost of the property, plant and equipment.

G. Impairment of Non-financial assets

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

H. Employee Benefits :

- a. Short terms employee benefits are charged to the profit and loss account as and when incurred
- b. Payments to defined contribution plan are charged to profit & loss account when contributions to respective funds are due.
- c. Gratuity and Leave encashment payments are accounted for on Payment basis.

I. Financial instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

i) Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified into three categories:

1. Debt instruments at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Equity Instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

3. Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

c. Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

d. Impairment of Financial Assets

Expected Credit Loss (ECL) is recognised for financial assets held under amortised cost and certain loan commitments.

Expected Credit Loss is recognized and measured as per the Asset Provisioning norms prescribed by the Reserve Bank of India and accordingly the Company recognizes a financial asset to be credit impaired by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 6 months
- The loan is otherwise considered to be in default

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to remain credit impaired until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be removed from the credit impaired category and a fresh assessment of the risk of default be done for such loans.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

a. Initial Measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

b. Subsequent Measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

c. Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

iv) Investment in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

J. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- i) the contract involves the use of an identified asset
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below :-

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

“Lease liability” and “Right of Use” asset are separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

K. Borrowing Costs:

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognized as expense in the period in which they are incurred.

L. Taxation:

Provision for income tax has been made in accordance with normal provisions of Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using tax rates and laws that have been substantively enacted as of the balance sheet date. Current and Deferred tax is recognised in Statement of Profit and Loss, except when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

M. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculation diluted

earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

N. Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

O. Fair Value Measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 22 and note no. 23.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 - Cash & Cash equivalents

Note 2 – Cash & Cash equivalents

		(Amount in INR)				
Particulars		As at		As at		As at
		March 31, 2020		March 31, 2019		April 1, 2018
Cash & Cash Equivalents						
(a)	Balances with Banks :					
	- Current Accounts	14,73,684		91,63,294		17,710
	- Deposits (under lien with banks)*	<u>10,00,000</u>	24,73,684	<u>10,00,000</u>	1,01,63,294	<u>2,44,94,968</u>
(b)	Cash-in-hand		<u>1,66,153</u>		<u>1,17,404</u>	<u>83,277</u>
	TOTAL		26,39,837		1,02,80,698	2,45,95,955

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Note 3 - Trade Receivables

		(Amount in INR)		
Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	
(a) Due for a period exceeding six months				
- Unsecured, considered good	3,171	-	7,51,355	
- Doubtful	-	-	-	
Less: Provision for Doubtful Debts	- 3,171	- -	- -	7,51,355
	3,171	-		7,51,355
(b) Others				
- Unsecured, considered good	15,112	1,68,150	1,77,500	
- Doubtful	-	-	-	
Less: Provision for Doubtful Debts	- 15,112	- 1,68,150	- -	1,77,500
	15,112	1,68,150		1,77,500
TOTAL	18,283	1,68,150		9,28,855

Note 4 - Loans

		(Amount in INR)		
Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	
i) Advances Considered good & in respect of which Company is fully secured	37,71,29,329	36,95,48,001	33,98,90,290	
Less: Impairment loss allowance	(15,12,050) 37,56,17,279	(14,81,284) 36,80,66,717	(11,89,616) 33,87,00,674	
ii) Advances Considered good for which Company holds no Security other than personal security	8,41,15,806	8,82,08,841	3,08,92,157	
Less: Impairment loss allowance	(3,36,463) 8,37,79,343	(3,52,836) 8,78,56,005	(1,08,124) 3,07,84,033	
iii) Sub-Standard Advances in respect of which Company is;				
Secured	4,42,38,918	46,00,000	1,00,13,000	
Less: Impairment loss allowance	(44,23,892) 3,98,15,026	(4,60,000) 41,40,000	(10,01,300) 90,11,700	
iv) Doubtful Advances in respect of which Company is;				
Secured	1,28,13,000	1,00,13,000	-	
Less: Impairment loss allowance	(35,63,900) 92,49,100	(20,02,600) 80,10,400	- -	
TOTAL	50,84,60,748	46,80,73,122		37,84,96,407

Note 5 - Investments

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At Fair Value through Profit and Loss Account			
In Equity Instruments	3,65,47,023	6,51,02,335	6,23,18,218
At Fair Value through Other Comprehensive Income			
Equity Shares	-	42,18,000	47,91,500
At Cost			
<u>In Equity Shares of Associate Companies - Unquoted Fully paid-up</u>			
220000 (March 2019 and April 2018 - 2,20,000) equity shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)	2,23,03,574	2,23,03,291	2,23,02,810
<u>In Equity Shares of Other Companies - Unquoted Fully paid-up</u>			
200000 (March 2019 and April 2018 - 2,20,000) equity shares of Liquors India Limited (F.V. Rs. 10/- each)	26,00,000	26,00,000	26,00,000
TOTAL	6,14,50,597	9,42,23,626	9,20,12,528

Note 6 - Other Financial Assets

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Interest accrued on Fixed Deposits	8,511	58,732	14,83,701
(b) Prepaid Expenses	4,583	5,521	7,176
(c) Other Advances	13,000	17,000	11,000
(d) Security deposit	1,30,000	13,00,000	-
(e) Income Tax Refund receivable	9,58,460	9,58,460	9,58,460
(f) GST Credit	34,110	-	-
TOTAL	11,48,664	23,39,713	24,60,337

Note : 7 Property, plant and equipment

(Amount in INR)

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2018	Additions	Dispos- als	Balance as at 31 March, 2019	Balance as at 31 March, 2020	Balance as at 1 April, 2018	Depre- ciation / amorti- sation expense for the year	Other adjust- ments	Balance as at 31 March, 2020	Balance as at 31 March, 2019	Balance as at 1 April, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10,38,394	-	-	10,38,394	10,38,394	9,36,376	28,326	-	10,38,394	73,692	1,02,018
Air Condition	1,48,509	74,562	-	2,23,071	2,23,071	-	26,547	-	48,851	1,74,220	1,48,509
Total	11,86,903	74,562	-	12,61,465	12,61,465	9,36,376	54,873	-	10,87,245	2,70,216	2,50,527

Note 8 - Trade Payables

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Payables	12,34,487	6,62,145	12,27,605
TOTAL	12,34,487	6,62,145	12,27,605

Note 9 - Short Term Borrowings

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Loans repayable on demand			
From banks			
Secured*	1,65,72,929	2,17,07,784	2,24,98,682
Unsecured	- 1,65,72,929	- 2,17,07,784	- 2,24,98,682
* Secured loans are lien on FDR kept with bank . The interest rate on this facility is FD Interest Rate+1%			
(b) Loans and advances from Others			
Secured**	4,34,10,421	6,88,54,595	12,88,43,012
Unsecured	12,98,46,485	17,32,56,906	10,86,49,290
TOTAL	18,98,29,835	19,92,11,669	15,13,41,694

** Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 10.75% to 11.50%.

Note 10 - Other financial Liabilities

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Payables	20,76,198	32,67,955	34,08,444
Un-paid Dividend	14,55,069	14,94,109	-
TOTAL	35,31,267	47,62,064	34,08,444

Note 11 - Current Tax Liabilities (net)

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Taxation (net of Advance tax & TDS)	87,70,853	52,65,636	20,74,006
TOTAL	87,70,853	52,65,636	20,74,006

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Note 12 - Deferred Tax Liabilities (net)

Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax	1,08,39,914	1,00,52,678	-
Add/Less: During the year	(62,68,122)	7,87,236	1,00,52,678
TOTAL	45,71,792	1,08,39,914	1,00,52,678

Note 13 - Equity Share Capital

(a) Particulars	(Amount in INR)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised :			
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
TOTAL	15,00,00,000	15,00,00,000	15,00,00,000
Issued and Subscribed :			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	10,85,13,000
TOTAL	10,85,13,000	10,85,13,000	10,85,13,000
Subscribed and Paid-up :			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	10,85,13,000
TOTAL	10,85,13,000	10,85,13,000	10,85,13,000

(b) Rights, preferences and restrictions attached to shares

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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, 2020	As at March 31, 2019	As at April 1, 2018
Number of shares at the beginning of the year	1,08,51,300	1,08,51,300	1,08,51,300
Add: Issue of Shares during the year			
Number of shares allotted as fully paid-up during the year	-	-	-
	-	-	-
No. of shares at the end of the year	1,08,51,300	1,08,51,300	1,08,51,300

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

No. of Shares held by	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Nos.	%	Nos.	%	Nos.	%
Luharuka Commotrade Pvt Ltd	38,10,500	35.12%	38,10,500	35.12%	38,10,500	35.12%
Anil Agarwal HUF	11,64,000	10.73%	11,64,000	10.73%	11,64,000	10.73%

Note 14 - Revenue from Operations

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Income from Operation		
Interest Income		
From Loans & Advances	7,06,48,574	6,58,06,741
From Term deposits	63,906	1,73,417
Financial Advisory & Consultancy	12,30,000	22,77,500
Profit/(loss)from Sale of Equity Instruments held for trading	9,45,634	-
Change in Fair Value of Equity Instruments held for trading	(1,91,55,681)	27,84,117
(A)	5,37,32,433	7,10,41,775
(b) Other operating Income		
Loan Processing Fee received	30,53,545	18,09,657
Dividend Income	11,01,332	10,25,919
Long Term Capital Gain / (Loss)	-	-
(B)	41,54,877	28,35,576
TOTAL (A+B)	5,78,87,311	7,38,77,350

Note 15 - Other Income

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Misc. income	1,97,895	3,82,220
TOTAL	1,97,895	3,82,220

Note 16 - Financial Costs

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	1,69,03,834	1,35,54,580
TOTAL	1,69,03,834	1,35,54,580

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Note 17 - Fees and commission expense

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission Expenses	5,32,813	20,08,714
TOTAL	5,32,813	20,08,714

Note 18 - Impairment on financial instruments

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Advances	55,39,585	19,97,680
TOTAL	55,39,585	19,97,680

Note 19 - Employment Benefit Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries , Bonus & Allowances	73,67,348	1,37,20,063
PF Expenses	1,21,309	2,84,223
Staff Insurance Expenses	38,495	35,244
Staff Welfare Expenses	1,90,106	1,39,375
TOTAL	77,17,258	1,41,78,905

Note 20 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	42,394	27,971
Annual Listing fees	3,27,000	2,99,750
Business promotion expenses	2,01,222	72,564
Custodial Fees	95,140	1,09,000
Director's Sitting Fees	2,94,300	2,28,900
Insurance Expenses	7,813	9,734
Loan Processing Fee paid	-	2,200
Legal, Professional & Technical Charges	15,45,605	8,68,046
Miscellaneous Expenses	15,11,294	2,64,507
Printing, Postage & Stationery Expenses	2,98,145	2,42,724
Professional Tax	2,500	2,500

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Payments to Auditors :		
- Audit & Tax Audit fees	2,80,250	2,25,000
- For Other Services	- 2,80,250	- 2,25,000
Travelling & Conveyance Expenses	29,32,898	3,08,571
Telephone Expenses	1,32,211	1,67,295
Repairs & Maintenance Expenses	1,45,107	85,863
Rent Expenses	6,00,000	6,00,000
TOTAL	84,15,879	35,14,625

Note 21 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	1,23,85,822	2,78,12,524
Add/Less: Adjustment relating to potential equity shares	- 1,23,85,822	- 2,78,12,524
Net profit after tax attributable to equity shareholders for	1,23,85,822	2,78,12,524
Diluted EPS		
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	1,08,51,300	1,08,51,300
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	1.14	2.56

Note 22- Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation Framework

The Group has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Group's valuation framework includes:

Benchmarking prices against observable market prices or other independent sources;
Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation Framework

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Fair values of Investments held for trading under FVTPL have been determined under level 1 (refer note no. 49) using quoted market prices of the underlying instruments;

Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

The Group has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Note 23- Fair Value Hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31/03/2020	3,65,47,023	-	-	3,65,47,023
Equity instrument classified under FVOCI	31/03/2020	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2019

□□□

Quantitative disclosures of fair value measurement hierarchy for assets as at 01 April 2018

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	01/04/2018	6,23,18,218	-	-	6,23,18,218
Equity instrument classified under FVOCI	01/04/2018	47,91,500	-	-	47,91,500

Fair Value of Financial Instruments not measured at fair value as at 31 March 2020

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	26,39,837	26,39,837	-	-	26,39,837
Receivables					
i) Trade Receivables	18,283	-	-	18,283	18,283
ii) Other Receivables	-	-	-	-	-
Loans	50,84,60,748	-	-	50,84,60,748	50,84,60,748
Investments	2,49,03,574	-	-	2,49,03,574	2,49,03,574
Other Financial assets (to be specified)	11,48,664	-	-	11,48,664	11,48,664

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Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of creditors other than micro enterprises and small enterprises	12,34,487	-	-	12,34,487	12,34,487
(i) Other payables	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Borrowings	18,98,29,835	-	-	18,98,29,835	18,98,29,835
Other financial liabilities	35,31,267	-	-	35,31,267	35,31,267

Fair Value of Financial Instruments not measured at fair value as at 31 March 2019

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	1,02,80,698	1,02,80,698	-	-	2,05,61,396
Receivables		-	-	-	-
i) Trade Receivables	1,68,150	-	-	1,68,150	3,36,300
ii) Other Receivables	-	-	-	-	-
Loans	46,80,73,122	-	-	46,80,73,122	93,61,46,243
Investments	2,49,03,291	-	-	2,49,03,291	4,98,06,583
Other Financial assets (to be specified)	23,39,713	-	-	23,39,713	46,79,426

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of creditors other than micro enterprises and small enterprises	6,62,145	-	-	6,62,145	6,62,145
(i) Other payables				-	-
-total outstanding dues of micro enterprises and small enterprises; and				-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises				-	-
Borrowings	19,92,11,669	-	-	19,92,11,669	19,92,11,669
Other financial liabilities	47,62,064	-	-	47,62,064	47,62,064

Fair Value of Financial Instruments not measured at fair value as at 1 April 2018

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	2,45,95,955	2,45,95,955	-	-	2,45,95,955
Bank Balance other than (a) above	-	-	-	-	-
Receivables		-	-	-	-
i) Trade Receivables	9,28,855	-	-	9,28,855	9,28,855
ii) Other Receivables	-	-	-	-	-
Loans	37,84,96,407	-	-	37,84,96,407	37,84,96,407
Investments	2,49,02,810	-	-	2,49,02,810	2,49,02,810
Other Financial assets (to be specified)	24,60,337	-	-	24,60,337	24,60,337

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Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and					
-total outstanding dues of micro enterprises and small enterprises; and	12,27,605	-	-	12,27,605	12,27,605
(i) Other payables	-	-	-	-	-
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Borrowings	15,13,41,694	-	-	15,13,41,694	15,13,41,694
Other financial liabilities	34,08,444	-	-	34,08,444	34,08,444

Note 24 - Transition to Ind AS on First time Adoption
a) Principles & Reconciliations

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2019, with a transiting date of 1st April, 2018. These financial statements for the year ended 31st March, 2020 are the first financial statements prepared in accordance with Ind-AS

The Company has prepared opening Balance Sheet as per Ind AS as of 1st April, 2018 (transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, derecognizing items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. However, this principle is subject to the exception and certain optional exemptions availed by the Company under Ind AS 101 is as follows:

A) Mandatory exceptions and optional exceptions availed
i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS

iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv) Impairment of financial assets

As set out in Ind AS 101 an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

v) Investment in Associate

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1 April, 2018 in its separate financial statements.

vi) Deemed cost of property, plant and equipment:

The Company has opted to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment recognised as of 1st April, 2018 (transition date) and use that carrying value as deemed cost of such assets as of transitioning date.

vii) Designate of previously recognised financial instrument

The company has opted this exemption to designate the financial asset at FVTPL as per Ind AS 109 based on facts and circumstances that existed as on transition date.

b) First Time Ind-AS Adoption Reconciliations

i) Effect of Ind AS adoption on the Balance sheet as at 31st March, 2019 and 1st April, 2018

Particulars	Balance Sheet as at 31st Mar, 2019			Balance Sheet as at 1st April, 2018		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(1) ASSETS						
Financial Assets						
(a) Cash and cash equivalents	1,02,80,698	-	1,02,80,698	2,45,95,955	0	2,45,95,955
(b) Receivables						
(i) Trade Receivables	1,68,150	-	1,68,150	9,28,855	0	9,28,855
(ii) Other Receivables	-	-	-	-	-	-

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Particulars	Balance Sheet as at 31st Mar, 2019			Balance Sheet as at 1st April, 2018		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(c) Loans	47,54,23,750	-73,50,628	46,80,73,122	38,17,72,083	-32,75,676	37,84,96,407
(d) Investments	5,01,57,295	4,40,66,331	9,42,23,626	5,11,92,732	4,08,19,796	9,20,12,528
(e) Other Financial assets (to be specified)	58,732	22,80,981	23,39,713	14,83,701	9,76,636	24,60,337
Non-Financial Assets						
(b) Property, plant and equipment	2,70,216	-	2,70,216	2,50,527	-	2,50,527
TOTAL ASSETS	53,63,58,841	3,89,96,685	57,53,55,525	46,02,23,853	3,85,20,756	49,87,44,610
LIABILITIES AND EQUITY						
Liabilities						
Financial Liabilities						
(a) Payables						
(i) Trade payables						
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	6,62,145	-	6,62,145	12,27,605	-	12,27,605
(ii) Other payables						
-total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings	19,92,11,669	-	19,92,11,669	15,13,41,694	-	15,13,41,694
(c) Other financial liabilities	47,62,064	-	47,62,064	34,08,444	-	34,08,444
Non-current liabilities						
(a) Current tax liabilities (Net)	95,62,356	-42,96,720	52,65,636	43,73,046	-22,99,040	20,74,006
(b) Deferred tax liabilities (Net)	-	1,08,39,914	1,08,39,914	-	1,00,52,678	1,00,52,678
Equity						
(a) Equity Share capital	10,85,13,000	-	10,85,13,000	10,85,13,000	-	10,85,13,000
(b) Other Equity*	21,36,47,606	3,24,53,491	24,61,01,097	19,13,60,064	3,07,67,119	22,21,27,183
TOTAL EQUITY AND LIABILITIES	53,63,58,841	3,89,96,685	57,53,55,525	46,02,23,853	3,85,20,756	49,87,44,610

ii) Effect of Ind AS adoption on profit and loss for the year ended on 31-3-2019

Particulars	For the year ended 31 March, 2019		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from Operations	7,08,30,242	30,47,108	7,38,77,350
Other Income	3,82,220	-	3,82,220
Total Revenue	7,12,12,462	30,47,108	7,42,59,570
Expenses			
Finance Costs	1,35,54,580	-	1,35,54,580
Fees and commission expense	20,08,714	-	20,08,714
Impairment on financial instruments	19,97,680	-	19,97,680
Employee Benefit Expenses	1,41,78,905	-	1,41,78,905
Depreciation and Amortization Expense	54,873	-	54,873
Other Expenses	35,14,625	-	35,14,625
Total Expenses	3,53,09,376	-	3,53,09,376
Profit/(loss) before tax	3,59,03,085	30,47,108	3,89,50,194
Tax Expense:			
(a) Current Tax	1,08,12,600	-	1,08,12,600
(b) Deferred Tax	-	7,87,236	7,87,236
(c) I.Tax of earlier years w/off	(4,61,685)	-	(4,61,685)
	1,03,50,915	7,87,236	1,11,38,151
Profit (Loss) after tax for the period from continuing operations	2,55,52,170	22,59,872	2,78,12,042
Add : Share of (Profit)/Loss of Associate	482	-	482
Profit for the Period (after adjustment for Associate)	2,55,52,652	22,59,872	2,78,12,524
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Gain/(Loss) on sale of Investments	-	(5,73,500)	(5,73,500)
(ii) Fair value changes of equity instruments through other comprehensive income			
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	2,55,52,652	16,86,372	2,72,39,024

iii) Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP

Particulars	Notes	Total comprehensive income	Total Equity	
		Mar-19	Mar-19	Apr-18
Net Profit/Total equity (shareholder's fund) under Previous GAAP		2,55,52,170	32,21,60,606	29,98,73,064
Adoption of Effective Interest Rate (EIR) for amortisation of income related to financial asset	1	(7,72,927)	(73,50,628)	-
Adoption of Fair Market Valuation Model for Investments	2	38,20,035	4,40,66,331	4,08,19,795
Deferred tax	3	(7,87,236)	(1,08,39,914)	(1,00,52,678)
Profit/(loss) before Other Comprehensive Income/ Total Equity under Ind AS Ind AS		2,78,12,042	34,80,36,395	33,06,40,182
Add : Share of (Profit)/Loss of Associate		482		
Other comprehensive income (net of tax)	2	(5,73,500)		
Total Comprehensive income as per Ind AS		2,72,39,023		

Explanation for reconciliation of Total Equity and Other Comprehensive income as previously reported under IGAAP to Ind AS

1. Adoption of Effective Interest Rate (EIR) for amortisation of income related to financial asset :

Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

2. Adoption of Fair Market Valuation Model for Investments:

Certain financial instruments / investments have been recorded at fair value as at 1 April 2018 with the resultant gain / loss in the retained earnings. For subsequent measurement, these instruments / investments have been valued at fair value through profit and loss (FVTPL) / fair value through other comprehensive income.

3. Deferred Tax:

Deferred tax impact is on account of differences between Previous GAAP and Ind AS.

25. Contingent Liabilities and Commitments

Particulars	2019-2020 (Rs.)	2018-2019 (Rs.)
i) Contingent Liabilities		
a) Income Tax Demand (Appeal has been filed against the order)	198,880	-
ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account	-	-

*In addition to the above:

- There is a demand of Rs. 12,85,836 (AY 16-17, AY 17-18, AY 18-19, AY 19-20) pertaining to TDS Credit claimed which is not yet paid by the parties who had deducted the TDS. The Company is in the process of filing the rectification and is following up with the respective parties and is confident that the amount will be paid by them and the said demand will be reversed.
- In the intimation u/s 143 (1) for AY 18-19 received by the Company, due to technical error while filing the return, the Income Tax Department has considered Long Term Capital Gain amounting to Rs 7,66,783/-, which is exempt from Income Tax, under the head Business Income and taxed the same. The necessary rectifications will be filed and the management is confident that the said demand will be reversed.

26. Loans Given:

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

Particulars	2019-2020 (Rs.)	2018-2019 (Rs.)
Secured against Immovable Property	9,80,88,327	6,22,43,045
Secured against Shares	28,36,44,569	21,57,65,627
Secured against bill discounting	6,64,66,738	6,18,81,618

- With respect to six credit impaired accounts, Four Secured accounts having aggregate carrying value of Rs.4,65,75,000/- and two unsecured accounts having aggregate carrying value of Rs.1,04,76,918/- the Management of the Company is quite confident of recovering the entire carrying amount as on 31st March, 2020 based on sufficient security cover with respect to Secured accounts and based on ongoing discussion with respect to unsecured accounts. However, as a matter of prudence, management has provided for expected credit loss allowance as per the RBI provisioning norms amounting to Rs.79,87,792/-.
- In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company is equal to the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

- 27.** The outbreak of COVID 19 pandemic and consequent lockdown has impacted business and operations of the Company in the last week of March 2020. The Company has not granted moratorium to any of its customers/borrowers permitted by the Reserve Bank of India vide its circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package'

The Company's assessment of impairment loss allowance on its loans and other assets is subject to a number of management judgments and estimates. In relation to COVID-19, judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The methodologies and assumptions applied in the determination of the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the period ended December 2019. The Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of the loans granted alongwith the respective interest. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

28. Auditors' Remuneration

For Audit Fees

2019-2020

2018-2019

Rs. 2,60,000

Rs. 2,25,000

Rs. 2,60,000

Rs. 2,25,000

29. Foreign Currency Transactions:

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

30. Earnings per Share:

Basic & Diluted

2019-2020

2018-2019

Rs. 1.14

Rs. 2.56

- 31.** Balances of the Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and resultant reconciliation, if any.
- 32.** There are no dues to Micro and Small Enterprises as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 33.** In accordance with Accounting standard 'AS -18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

A. Name of the related parties & description of relationship

- a) Key Managerial Personnel : Mr. Ankur Agrawal (Director)
Mr. Devendra Lal Thakur (Director)
Mr. Milin Ramani (Director)
Ms. Divya Padhiyar (Additional Director)
(appointed w.e.f. October 30, 2019)
Mrs. Nirmala H. Kanjar (CFO)
Mr. Bharat Shiroya (CEO)
Ms. Sneha Mandelia (CS) (Appointed w.e.f. July 01, 2020)

- b) Promoters and their relatives: Anil Agrawal –HUF (Promoter)
Luharuka Commotrade Pvt. Ltd. (Promoter)
Luharuka Sales & Services Pvt. Ltd. (Promoter)
Mrs. Annu Agrawal (Relative)
Ms. Deepika Agrawal (Relative)
- c) Associate Company : Lemonade Share & Securities Pvt. Ltd.
- d) Group Companies : Comfort Securities Limited
Liquors India Limited
Comfort Capital Pvt. Ltd.
Luharuka Media and Infra Limited
Luharuka Investment & Consultants Pvt. Ltd.
Comfort Intech Limited

B. Transactions during the year with related parties:-

(Amount in INR)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
1	i) Loan Given			
	Comfort Capital Pvt. Ltd.	-	-	-
		-	-	(3,34,00,000)
	Deepika Agrawal	-	1,20,00,000	-
		-	(2,05,00,000)	-
	Luharuka Commotrade Pvt. Ltd.	-	10,00,000	-
		-	(45,00,000)	-
	Luharuka Sales & Services Pvt. Ltd	-	3,65,00,000	-
		-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2,67,00,000
		-	-	(14,50,000)
	Flora Fountain properties Ltd.	-	-	1,47,00,000
		-	-	(6,99,65,448)
	Luharuka Media & Infra Limited	-	-	-
		-	-	(1,55,00,000)
	Liquors India Ltd	-	-	-
		-	-	(5,31,00,000)
	ii) Loan Received Back			
	Comfort Capital Pvt. Ltd.	-	-	1,55,00,000
		-	-	(1,50,00,000)
	Flora Fountain properties Ltd.	-	-	1,47,00,000
		-	-	(6,99,65,448)
	Luharuka Sales & Services Pvt. Ltd	-	35,00,000	-
		-	-	-

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(Amount in INR)				
Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
	Luharuka Media & Infra Limited	-	-	-
		-	-	(1,55,00,000)
	Liquors India Ltd	-	-	-
		-	-	(5,31,00,000)
2	i) Loan taken			
	Luharuka Media & Infra Limited	-	-	-
		-	-	(50,00,000)
	Comfort Intech Limited	-	-	13,70,00,000
		-	-	(11,55,00,000)
	Comfort Securities Limited	-	-	-
		-	-	(2,40,00,000)
	ii) Loan Repaid			
	Luharuka Media & Infra Limited	-	-	-
		-	-	(50,00,000)
	Comfort Intech Limited	-	-	14,55,00,000
		-	-	(2,35,00,000)
	Comfort Securities Limited	-	-	-
		-	-	(2,40,00,000)
3	Security deposit paid			
	Annu Agrawal	-	-	-
		-	(10,00,000)	-
	Anil Agrawal –HUF	-	-	-
		-	(10,00,000)	-
	Security deposit received back			
	Annu Agrawal	-	7,70,000	-
		-	(1,00,000)	-
	Anil Agrawal –HUF	-	4,00,000	-
		-	(6,00,000)	-
4	Income			
	Comfort Capital Pvt. Ltd.	-	-	17,12,163
		-	-	(10,56,456)
	Deepika Agrawal	-	38,10,377	-
		-	(9,49,476)	-
	Luharuka Commotrade Pvt. Ltd.	-	7,49,474	-
		-	(3,18,500)	-
	Luharuka Sales & Services Pvt. Ltd	-	24,81,212	-
		-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	18,85,073
		-	-	(79,509)
	Flora Fountain properties Ltd.	-	-	1,26,083
		-	-	(22,37,675)

(Amount in INR)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
	Luharuka Media & Infra Limited	- -	- -	- (1,37,833)
	Liquors India Ltd	- -	- -	- (23,21,014)
5	Expenses			
	Demat Charges Paid			
	Comfort Securities Limited	- -	- -	1,041 (6,375)
	Brokerage Paid			
	Comfort Securities Limited	- -	- -	28,423 -
	Office Rent Paid			
	Anil Agrawal –HUF	- -	3,00,000 (2,40,000)	- -
	Annu Agrawal	- -	3,00,000 (2,40,000)	- -
	Remuneration			
	Bharat Shiroya	24,00,000 (24,81,333)	- -	- -
	Nirmala H Kanjar	8,08,850 (10,09,940)	- -	- -
	Deepika Agrawal	- -	14,00,000 (14,00,000)	- -
	Ankur Agrawal	- -	5,25,000 (24,50,000)	- -
	Nidhi Busa	7,600 (36,000)	- -	- -
	Interest Paid			
	Luharuka Media & Infra Limited	- -	- -	- (95,500)
	Comfort Intech Limited	- -	- -	69,38,866 (39,86,205)
	Comfort Securities Limited	- -	- -	- (4,80,500)
	Director Sitting fee Paid			
	Annu Agrawal	- -	10,000 (20,000)	- -
	Anil Agrawal	- -	20,000 (10,000)	- -
	Anilkumar Nevatia	- (70,000)	- -	- -

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(Amount in INR)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / Group Companies
	Devendralal Thakur	90,000 (70,000)	- -	- -
	Jugal Thacker	15,000 (40,000)	- -	- -
	Ankur Agrawal	55,000 -	- -	- -
	Milin Ramani	60,000 -	- -	- -
	Divya Padhiyar	20,000 -	- -	- -
	Amount outstanding as at Balance Sheet date			
	Loan Given			
	Comfort Capital Pvt. Ltd.	-	-	35,47,839
	Deepika Agrawal	-	3,39,80,477	-
	Luharuka Commotrade Pvt. Ltd.	-	60,16,470	-
	Luharuka Sales & Services Pvt. Ltd.	-	3,50,45,590	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2,83,58,415
	Loan taken			
	Comfort Intech Limited	-	-	8,35,00,000

*Figure in bracket relates to previous year.***34. Segment Reporting**

In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the Ind AS 108.

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

As per our report of even date

For A R Sodha & Co.

Chartered Accountants
Firm Reg. No.: 110324W

A.R. Sodha**Partner****Membership No. : 031878**

Mumbai, 20th July, 2020

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar**Chief Financial Officer**

Mumbai, 20th July, 2020

Milin Ramani

Director
DIN : 07697636

Sneha Mandelia

Company Secretary
ACS: 49137



If undelivered, please return to:

COMFORT FINCAP LIMITED

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