



# COMFORT FINCAP LIMITED

Registered Office :- 22, Block B, Camac Street, Behind Pantaloons, Kolkata, WestBengal - 700 016.  
Corporate Office :- A-301, Hetal Arch, Opp. Natraj Market, S.V.Road, Malad (West), Mumbai - 400064.  
Tel. No.: 022 - 6894 8500 / 08 / 09 FAX : 022-2889 2527  
E-mail : info@comfortfincap.com ; URL : www.comfortfincap.com

CIN NO : L65923WB1982PLC035441

**Date: August 17, 2021**

To, The Manager Department of Corporate Services, <b>BSE Limited,</b> Phirozee Jeejeeboy Towers, Dalal Street, Fort, Mumbai – 400 001 <b>Scrip Code: 535267</b>	To, The Secretary <b>The Calcutta Stock Exchange Limited</b> 7, Lyons Range, Kolkata, West Bengal – 700001 Scrip Code: 26078
--	---

**Sub: Notice of the 39<sup>th</sup> Annual General Meeting (AGM) and Annual Report 2020-21**

Dear Sir(s)/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 39<sup>th</sup> AGM of shareholders and the Annual Report for the Financial Year 2020-21. This is circulated to the shareholders through electronic mode. The 39<sup>th</sup> AGM of the Company will be held on Wednesday, September 08, 2021 at 04:00 P.M. IST through Video Conferencing / Other Audio Visual Means.

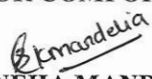
The Annual Report for FY 2020-21 is available and can be downloaded from the Company's website at weblink <http://www.comfortfincap.com/Admin/File/CFL-%20ANNUAL%20REPORT%202020-2021.pdf> and the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>. Further, the Register of Members & Share Transfer Books of the Company will remain closed on September 01, 2021 for the purpose of 39<sup>th</sup> AGM of the Company.

The e-voting period commences on September 05, 2021 (09:00 A.M. IST) and ends on September 07, 2021 (05:00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialised form as on September 01, 2021, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

We request you to kindly take the same on record.

Thanking you,

**FOR COMFORT FINCAP LIMITED**

  
**SNEHA MANDELIA**  
**COMPANY SECRETARY**  
**CC:**



<b>National Securities Depository Limited</b> Trade World, A Wing , 4 <sup>th</sup> Floor, Kamala Mills Compound , Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Tel: 91 22 24994200 Fax:91 22 24976351	<b>Central Depository Services (India) Limited</b> Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai -400013.	<b>Bigshare Services Pvt. Ltd.</b> 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: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
---	---	--



# COMFORT FINCAP LIMITED

39<sup>TH</sup> ANNUAL REPORT 2020-21





## BOARD OF DIRECTOR AND KMP'S

Mr. Ankur Agrawal	: Executive Director
Mr. Devendra Lal Thakur	: Non-Executive & Independent Director;
Mr. Milin Ramani	: Non-Executive & Independent Director;
Mrs. Apeksha Kadam	: Additional Director (Non-Executive & Non-Independent Woman Director)
Mrs. Nirmala Kanjar	: Chief Financial Officer
Mr. Bharat Shiroya	: Chief Executive Officer
Ms. Sneha Mandelia	Company Secretary and Compliance Officer

**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

M/s. ASHP & Co.LLP. Chartered Accountants

CONTENTS	PAGE NOS.
Notice	2-16
Directors' Report & Annexures	17-34
Corporate Governance Report	35-54
Management Discussion & Analysis	55-59
<b>Standalone Financial Statements</b>	
Independent Auditor's Report	60-67
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow Statement	70
Notes on Financial Statements	71-98
<b>Consolidated Financial Statements</b>	
Independent Auditor's Report	100-105
Balance Sheet	106
Statement of Profit and Loss	107
Cash Flow Statement	108
Notes on Financial Statements	109-136

39 <sup>th</sup> Annual General Meeting	
Day & Date	Wednesday, September 08, 2021
Time	4:00 P.M.
Venue	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 39TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMFORT FINCAP LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 08, 2021, AT 04:00 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, 2021, 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, 2021 and 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 consider and approve the appointment of Mrs. Apeksha Kadam (DIN: 08878724), as Non-Executive Non-Independent Director on the Board

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

**"RESOLVED THAT** pursuant to provisions of section 152 and other applicable provisions, if any, of Companies Act, 2013 ("the Act") read with rules made thereunder (including any statutory modifications or reenactment thereof) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, respectively, Mrs. Apeksha Kadam (DIN: 08878724) who was appointed as Additional Director of the Company with effect from February 12, 2021 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Non Executive Director, be and is hereby appointed as Non-Executive Non-Independent Director on the Board of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors and/or Company Secretary of the Company, be and is hereby jointly and/or severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

4. To Ratify and approve 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, if any, 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 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 2020-21 and 2021-22 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	Luharuka Export Private Limited	Comfort Capital Private Limited	Luharuka Media and Infra Limited	Flora Fountain Properties Limited	Comfort securities Limited	Deepika Agrawal
Name of the Director or Key Managerial Personnel who is/ may be related	Mr. Ankur Agrawal and Mrs. Apeksha Kadam								Mr. Ankur Agrawal	Mrs. Apeksha Kadam	
Nature of Relationship	Common Directors										Related to Mr. Ankur Agrawal, Director of the Company.
Nature and particulars of the contract / arrangement	Inter - Corporate loans and / or Inter - corporate deposits, availing and / or providing guarantee, providing of security(ies) in connection with any loan taken / to be taken by entities and business advances for business purpose only										
Material terms of the contract / arrangement	On Arms' length basis.										
Monetary value of the contract / arrangement for											
FY 2020-21	-	-	-	-	-	Rs. 50 lacs	-	-	-	Rs. 3.5 Crores	-
FY 2021-22 and onwards	Rs 25 Crores	Rs. 10 Crores	Rs. 5 Crore	Rs. 5 Crores	Rs. 5 Crores	Rs 5 Crores	Rs 5 Crores	Rs 5 Crores	Rs 20 Crores	Rs 10 Crores	Rs. 15 Crores
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.”

**BY ORDER OF THE BOARD OF DIRECTORS OF  
COMFORT FINCAP LIMITED**

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

**DATE : JULY 29, 2021**

**PLACE: MUMBAI**

**NOTES:**

1. The 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 and 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. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
4. The Company’s Statutory Auditors, M/s. A. R. Sodha & Co. 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 from 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.

5. 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.
6. 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.
7. Book Closure: The Register of Members and Share Transfer Books of the Company shall remain closed on September 01, 2021 for the purpose of the Annual General Meeting.
8. The Company has appointed, Mrs. Ramadevi Venigalla, Practicing Company Secretary (Membership no. FCS 7345 and CP no. 17889) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
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 a 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](http://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. 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. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Annual Report for Financial Year 2020-2021 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depository Participants. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered/ updated the same.

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 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members whose email is not registered may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.comfortfincap.com](http://www.comfortfincap.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
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:**

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry

of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 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 1000 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.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.comfortfincap.com](http://www.comfortfincap.com). The Notice can also be accessed from the website of stock exchange where the shares of the Company are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

## **20. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on September 05, 2021 at (9:00 A.M. IST) A.M. and ends on September 07, 2021 at 5:00 P.M. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 01, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 01, 2021.**





**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: Access to NSDL e-Voting system****A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on</p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- 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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your ‘initial password’?
  - (i) 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’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) 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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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](mailto:ramavenigalla@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of 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 [info@comfortfincap.com](mailto:info@comfortfincap.com)
2. 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 [info@comfortfincap.com](mailto:info@comfortfincap.com)
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility 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.
3. 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.
4. 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 EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions / queries at least 48 working hours before the time fixed for Annual General Meeting. i.e. on or before September 05, 2021 mentioning their name, demat account number/folio number, email id, mobile number at info@comfortfincap.com. The same will be replied by the company suitably during the AGM.

**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	Mrs. Apeksha Kadam
<b>DIN</b>	06408167	08878724
<b>Date of Birth</b>	23/11/1990	28/02/1982
<b>Age (in years)</b>	31 Years	39 years
<b>Date of Appointment</b>	June 29, 2019	February 12, 2021
<b>Nationality</b>	Indian	Indian
<b>Qualification</b>	Mr. Ankur Agrawal is a fellow member of ICAI and CFA. He also holds a degree of family MBA from Indian School of Business	Mrs. Apeksha Kadam has completed Master of Business Administration from National Institute of Management (NIM). As a Director of the Company Mrs. Apeksha Santosh Kadam contributes towards the Management and Business Administration and accordingly, brings in value addition to the Company.
<b>Expertise in specific Functional Area</b>	He has more than 9 years of post qualification work experience in the field of Commerce, Finance, Audit and Accounts.	She has sound experience in the field of Management & Strategy, Human Resource Management And Business Administration
<b>Directorships held in other public companies (excluding private, foreign companies and Section 8 companies)</b>	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Liquors India Limited 4. Flora Fountain Properties Limited 5. Comfort Intech Limited	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Comfort Securities Limited 4. Comfort Intech Limited
<b>Shareholding in the Company as on March 31, 2020</b>	Nil	Nil

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

Particulars	Mr. Ankur Agrawal	Mrs. Apeksha Kadam
<b>Memberships/ Chairmanships of Committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)</b>	<b>Comfort Intech Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Chairman</li> <li>Stakeholders Relationship Committee - Member</li> </ul> <b>Comfort Commotrade Limited</b> <ul style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Stakeholders Relationship Committee – Chairman</li> </ul> <b>Luharuka Media &amp; Infra Limited</b> <ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Stakeholder Relationship Committee – Member</li> </ul> <b>Comfort Fincap Limited</b> <ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Stakeholders Relationship Committee - Member</li> </ul>	<b>Luharuka Media &amp; Infra Limited</b> <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee- Chairman</li> </ul>
<b>No. of Board Meeting attended during the year of the Company</b>	During the financial year ended on March 31, 2021, Mr. Ankur Agrawal attended Five Board Meeting of the Company.	-
<b>Disclosure of relationship between Directors inter-se</b>	Mr. Ankur Anil Agrawal is the son of Mr. Anil Beniprasad Agrawal - Chief Executive Officer of the Company	None
<b>Key Terms and Conditions of the appointment</b>	-	As per the Resolution at Item no. 3 of this Notice read with the explanatory statement thereto
<b>Remuneration last drawn</b>	Only sitting fees for the Meeting attended was paid.	NA
<b>Remuneration sought to be paid</b>	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, be payable to her

**BY ORDER OF THE BOARD OF DIRECTORS OF  
COMFORT FINCAP LIMITED**

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

**DATE : JULY 29, 2021  
PLACE: MUMBAI**

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3**

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 and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, had appointed Mrs. Apeksha Kadam (DIN: 08878724) as an Additional Director in the capacity of a Non-Executive Non-Independent Director to hold office upto the date of the Annual General Meeting.

The Company has received from Mrs. Apeksha Kadam:

- (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 she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013. Further, the Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013 from member proposing the candidature of Mrs. Apeksha as director of the Company.

All the relevant documents for the appointment of Mrs. Apeksha Kadam as Non- Executive Non-Independent Director 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 days, (Monday to Friday) except Saturdays, Sundays and Public 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 Mrs. Apeksha Kadam to be appointed as Non- Executive Non-Independent Director is given in the table appearing before the explanatory statement.

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

### **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 falls 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 SEBI Listing Regulations requires approval of the members 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.

## COMFORT FINCAP LIMITED

### Annual Report 2020-2021

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, Mrs. Apeksha Kadam and their 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

**BY ORDER OF THE BOARD OF DIRECTORS OF  
COMFORT FINCAP LIMITED**

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

**DATE : JULY 29, 2021  
PLACE: MUMBAI**

## DIRECTOR'S REPORT

### To the Members of the Company,

Your Directors have pleasure in presenting the Thirty Ninth Annual Report of Comfort Fincap Limited ('the Company') on the business and operations of your Company along with the Audited Financial Statements (Consolidated and Standalone) for the Financial year ended March 31, 2021.

### 1) FINANCIAL HIGHLIGHTS:

The summary of Audited Consolidated and Standalone Financial performance of the Company, for the Financial year ended March 31, 2021 is summarized as under:

(Rs in Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from Operations	1112.77	578.87	1112.77	578.87
Other operating Income	1.01	1.98	1.01	1.98
Total Revenue	1113.78	580.85	1113.78	580.85
Total Expenditure	555.79	392.05	555.79	392.05
Profit before Tax	558.00	188.80	558.00	188.80
Current Tax Expenses	179.96	127.71	179.96	127.71
Deferred Tax	(35.36)	(62.68)	(35.36)	(62.68)
Tax of earlier years	(4.61)	(0.08)	(4.61)	(0.08)
Profit for the Year	418.00	123.86	418.01	123.86
Earnings Per Share (EPS in Rs.)	3.85	1.14	3.85	1.14

### 2) FINANCIAL PERFORMANCE

The Consolidated and Standalone Financial Statements of the Company for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of section 129 and 133 of Companies Act, 2013, Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations"), 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.

On a Standalone and Consolidated basis, the Company registered revenue from operations of Rs. 1112.77 lakhs for the year ended March 31, 2021 as compared to Rs. 578.87 lakhs in the previous financial year ended March 31, 2020. The Net profit stood at Rs. 418.00 lakhs for the year ended March 31, 2021 as compared to the profit of Rs. 123.86 lakhs in the previous financial year ended March 31, 2020.

In accordance with the provisions contained in section 136 of the Companies Act, 2013, the Annual Report of the Company, containing Notice of the Annual General Meeting, Consolidated and Standalone Financial Statements, Report of the Auditor's and Board of Directors thereon are available on the website of the Company at [www.comfortfincap.com](http://www.comfortfincap.com). Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis Report ("MDAR"), which forms part of this Annual report.



**3) DIVIDEND**

Based on the Company's financial performance for the year 2020-21 and 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, 2021.

**4) 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 un-paid /unclaimed dividend Account of the financial year 2013-14. 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 Dividends from financial year 2013-14 and 2014-15 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

**5) SHARE CAPITAL**

During the year under review, there has been no change in share capital of the Company. The paid-up Equity Share Capital of the Company as on March 31, 2021 was Rs 10,85,13,000 (Rupees Ten Crores Eighty Five Lakhs Thirteen Thousand Only) divided into 1,08,51,300 Equity Shares of Rs. 10 each. Further, 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 F.Y.

**6) TRANSFER TO RESERVES**

There was no amount, which was transferred to General Reserves during the year under review. The closing balance of the retained earnings of the Company for F.Y. 2020-2021, after all appropriation and adjustments was Rs. 2989.37 lakhs.

**7) LISTING WITH THE STOCK EXCHANGE(S)**

Your Company's equity shares are listed on the BSE Limited. Annual listing fees for the Financial Year 2020-21 and 2021-22 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 been sending emails to Calcutta Stock Exchange Limited and continually following up for the same awaiting for their reply in this regards.

**8) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES**

The Company has one Associate Company namely, Lemonade Shares & Securities Private Limited as on March 31, 2021. There are no Subsidiaries or joint venture companies within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 ("Act").

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

## 9) DEPOSITS

The 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.

## 10) MATERIAL CHANGES AFFECTING THE COMPANY

No material changes and commitments occurred after the close of the financial year 2020-21 till the date of this Report which affects the financial position of the Company. It is hereby confirmed that there has been no other change in the nature of business of the Company.

Further, the COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. In spite of the unprecedented situation, your Company has been successful in averting potential adverse impact on the business and on the contrary has grown and continues to outperform most of the industry peers. Based on the facts and circumstances, the company has been operating in normal course and there have been no adverse impacts on the liquidity, revenues or operational parameters during the F.Y. Most of your Company's costs are flexible and have been managed prudently. In stark contrast to the general perception, this unprecedented crisis has hastened the adoption of digital processes and systems across the entire country and the industry.

## 11) 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 Company Secretary confirming compliance, forms an integral part of this Report.

A declaration with respect to the compliance with the Code of Conduct duly signed by the Chief Executive Officer and Chief Financial Officer of the Company also forms part of this Report

## 12) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### I. Board of Directors

Following were the Directors as on March 31, 2021:

Sr. No.	Name of the Person	DIN	Category
1	Mr. Ankur Agrawal	06408167	Executive Director
2	Mr. Devendra Lal Thakur	00392511	Non-executive Independent Director
3	Mr. Milin Ramani	07697636	Non-executive Independent Director
4	Mrs. Apeksha Kadam	08878724	Additional Director (Non-Executive-Non-Independent women Director)

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

### a. Change in Directors:

- (1) Cessation/ Resignation: Ms. Divya Padhiyar (DIN: 08598655), Independent Director of the Company has resigned with effect from closing hours of February 11, 2021. Further, pursuant to Regulation 30 of SEBI Listing

Regulations, she stated that there was no material reason other than personal and unavoidable circumstances mentioned in her resignation letter.

- (2) Appointment/Re-appointment: Pursuant to Regulation 17 of the SEBI Listing Regulations read with section 161 of the Companies Act, 2013 and based on recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mrs. Apeksha Santosh Kadam (DIN: 08878724) as Additional Woman Director with effect from February 12, 2021 to hold office up to the date of forthcoming Annual General Meeting. Further, on the Recommendation of Nomination and Remuneration Committee and the Board of Directors the Board and subject to approval of Shareholders at ensuing Annual General Meeting, it is proposed to appoint Mrs. Apeksha Kadam as Non-Executive Non-Independent Woman Director of the Company w.e.f. February 12, 2021. The Company has received requisite declarations from her.

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.

- (3) 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.

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 ("IICA"). The Independent Directors have confirmed that they are not aware of any circumstances or situation, which exists or reasonably anticipated that could impair or impact his ability to discharge his/her duties with an objective independent judgment and without any external influence.

## **II. Key Managerial Personnel's (KMP's)**

Following were the Key Managerial Personnel's as on March 31, 2021:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>Designation</b>
<b>1</b>	Mr. Bharat Shiroya	Chief Executive Officer
<b>2</b>	Mrs. Nirmala Kanjar	Chief Financial Officer
<b>3</b>	Ms. Sneha Mandelia	Company Secretary & Compliance Officer

- Change in Key Managerial Personnel's: 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.

## **III. Director's Evaluation**

In terms of the requirement of the Companies Act, 2013 and Regulation 4 (2)(f) of the SEBI Listing Regulations, and 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 Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness, on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated.

In a separate meeting of Independent Directors held on February 11, 2021, the performance evaluation of the Board as whole, Chairman of the Company and the Non Independent Directors was evaluated. The Board of Directors expressed their satisfaction with the evaluation process based on the recommendation of the Nomination & Remuneration Committee.

#### **IV. 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 and 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.

#### **V. Meeting of the Board and its Committees:**

The Board has established following three Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee and
- c. Stakeholders' Relationship Committee.

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 40<sup>th</sup> 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. The statutory auditors have confirmed that they satisfy the independence criteria as required under the Companies Act, 2013. 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 2021-22. 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, 2021 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 recognized 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**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Mitesh J. Shah & Associates, Practicing Company Secretaries (Membership No.: F10070; Certificate of Practice No.: 12891), as Secretarial Auditor of the Company for the financial year 2020-21 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 2020-21 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. The Company has not complied with provision of section 203 and Regulation 6 (1) of SEBI (LODR) w.r.t to appointment of Company Secretary as Company Secretary was not appointed within stipulated period of time. However Company Secretary was appointed on 01 July 2020 (i.e. after 6 (six) form the resulting vacancy);
- II. The Company is suspended on Calcutta Stock Exchange

**Management's Explanation:**

- I. Ms. Sneha Mandelia (ACS 49137) appointed as Company Secretary and Compliance Officer of the Company w.e.f July 01, 2020.
- II. The Company has been sending emails to Calcutta Stock Exchange and continually following up for the same awaiting for their reply in this regards.

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, issued by the SEBI, the company has obtained Annual Secretarial Compliance Report for the year ended March 31, 2021, 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 Exchange(s) within the prescribed time.

**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. 2020-21 and their report is reviewed by the Audit committee from time to time. Further, Board of Directors of the Company were informed that M/s. Siddhant Shah & Co. has integrated it's Organization with M/s. AHSP & Co. LLP hence, the Company has appointed M/s. AHSP & Co. LLP, as an Internal Auditors of the company for the F.Y. 2021-22.

#### **d. COST AUDITOR**

The Maintenance of the cost records, for the services rendered by the Company is not required pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost records and Audit) Rules, 2014 and accordingly it 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's & 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) CODE OF CONDUCT**

The Company 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 person 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 link <http://www.comfortfincap.com/Investorrelation>

#### **16) 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 at an arm's length basis, in the ordinary course of business. 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.



**17) WHISTLE BLOWER POLICY / VIGIL MECHANISM**

In Compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy. The Company's vigil mechanism/ Whistle blower Policy aims to provide the appropriate platform and protection for Whistle Blowers to report instances of fraud and mismanagement, if any, to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or suspected incidents of violation of applicable laws and regulations including the Company's code of conduct or ethics policy or Code of Conduct for Prevention of Insider Trading in the Company, Code of Fair practices and Disclosure.

The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal. Details of the Vigil Mechanism and Whistleblower policy are made available on the Company's website at <http://www.comfortfincap.com/Investorrelation>

During the Financial Year 2020-21, no cases under this mechanism were reported to the Company

**18) PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company is committed to uphold and maintain the dignity of woman employees and to provide a safe and conducive work environment to all its employees and associates working in the Company. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your company has put in place Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors further state that during the financial year 2020-21, there were no complaints received pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**19) ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for F.Y. 2020-21 is available on Company's website at [www.comfortfincap.com](http://www.comfortfincap.com).

**20) 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, 2021, 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.

## 21) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as stipulated under the SEBI Listing Regulations, 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 2020-21.

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

Your Company had 9 employees as on March 31, 2021. 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 3** and forms part of this Report.

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

## 23) 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 Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

## 24) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is taking all possible measures to conserve energy. Several environment friendly measures are adopted by the Company. The Company continued to give major emphasis for conservation of Energy, and the measures taken during the previous years were continued. The Company regularly reviews power consumption patterns across its units and implement requisite improvements / changes in the process in order to optimize power consumptions. The Company's operations do not require significant import of technology

### 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 March 31, 2021	Year Ended March 31, 2020
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. 2020-21

**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 risks 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 in Management Discussion and Analysis Report.

**27) 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.

**28) 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 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 has been obtained.

**29) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the Financial Year 2020-21, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

**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 and other Stakeholders at large for all support rendered during the year under review. We strive to build rewarding relationships with our stakeholders – clients, employees, shareholders, business partners, communities and regulators – for achieving our long-term vision aligned with our stakeholders' interests.

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 Directors hereby acknowledge the dedication, loyalty, hard work, cooperation, solidarity and commitment rendered by the employees of the Company and their families during the year

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and those who have gone beyond their duties in battling against the pandemic.

**BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED**

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

**DATE : JULY 29, 2021  
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 one Associate Company(ies) and the details of the said company(ies) are mentioned here in below:

Name of Associate or Joint Venture	Lemonade Shares & Securities Private Limited
1. Latest audited Balance Sheet Date	March 31, 2021
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. 4,67,51,007/-
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 1163/-
ii. Not Considered in Consolidation	Rs. 1321/-

BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED

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

DATE : JULY 29, 2021  
 PLACE : MUMBAI

## ANNEXURE 2

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

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

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

To,  
The Members,  
**Comfort Fincap Limited**  
22 Camac Street Block 'B'  
Kolkata – 700016.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Comfort Fincap Limited** CIN: **L65923WB1982PLC035441**, having its registered office at 22 Camac Street Block 'B' Kolkata -700016 and its corporate office at 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch S.V.Road, Malad Mumbai - 400064 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31<sup>st</sup> March, 2021** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; **(There were no events requiring compliance during the audit period)**



- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(There were no events requiring compliance during the audit period)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(There were no events requiring compliance during the audit period)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(There were no events requiring compliance during the audit period)**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(There were no events requiring compliance during the audit period)**
  - i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation, 2013; **(There were no events requiring compliance during the audit period)**
  - j. The Securities and Exchange Board of India (Depository and Participants) Regulations 2018;
- vi. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under various applicable Laws, Rules and Regulations the Company as follow:
- 1. The Reserve Bank of India Act, 1934.
  - 2. Chapter V of the Finance Act, 1994.
  - 3. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
  - 4. The payment of Gratuity Act, 1972.
  - 5. The Payment of Bonus Act, 1965.
  - 6. The Employee State Insurance Act, 1948.
  - 7. The Income Tax Act, 1961.
  - 8. The Indian Stamp Act, 1899.
  - 9. The State Stamp Acts.
  - 10. Negotiable Instruments Act, 1881.
  - 11. Shops and Establishment Act, 1953 and the rules, notifications issued thereunder.
  - 12. Legal Metrology Act, 2009.
  - 13. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder.
  - 14. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.
  - 15. The Environment (Protection) Act, 1986.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of the Board of Directors (SS - 1) and General Meeting (SS - 2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR)).

During the period under review and subject to explanations submitted to us and representations made by the management, the Company with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

**I. The Company has not complied with provision of section 203 and Regulation 6 (1) of SEBI (LODR) w.r.t to appointment of Company Secretary as Company Secretary was not appointed within stipulated period of time. However Company Secretary was appointed on 01 July 2020 (i.e. after 6 (six) form the resulting vacancy);**

**II. The Company is suspended on Calcutta Stock Exchange;**

**I report that:**

- The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation in the meeting.
- The decisions of the Board Meetings were carried out with requisite majority.
- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including actions for corrective measures, wherever found necessary.

**I further report** that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period the Company has not transacted any activities having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Mitesh J. Shah & Associates  
Company Secretaries**

**Mitesh Shah  
Proprietor  
FCS No.: 10070  
C. P. No.: 12891**

**UDIN: F010070C000365909**

**Date: 25 May, 2021**

**Place: Mumbai**

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
**Comfort Fincap Limited**  
22 Camac Street Block 'B'  
Kolkata – 700016.

My report of even dated is to be read along with this letter:

**Management's Responsibility Statement**

- i. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

**Auditor's Responsibility Statement**

- ii. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I follow provide a responsible basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

- v. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
- vi. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- vii. As per the **guidance provided by ICSI to members to carry out professional assignments during Covid 19 pandemic dated 04.05.2020 and 20.04.2021**, PCS may carry Secretarial Audit by using appropriate information technology tools like virtual data room, cloud-based servers or remote desktop access tools, also PCS can obtain electronically signed extracts of minutes or any other relevant records, wherever required after disclosing the same in his report. The Auditor places reliance on the said guidance note while giving his report. All the judgments are based on the said circular. It is to be noted that necessary disclosures will be taken from the company after the end of this lockdown.

**For Mitesh J. Shah & Associates**  
**Company Secretaries**

**Mitesh Shah**  
**Proprietor**

**FCS No.: 10070**  
**C. P. No.: 12891**

**Date: 25 May, 2021**  
**Place: Mumbai**

### ANNEXURE-3

**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.**

- 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 2020-21:**

Name of Directors/ KMP	Designation	Ratio of Remuneration of each Director / Employee to the median remuneration	Remuneration (in Rs.)	
			FY 2020-21	FY 2019-20
Mr. Bharat Shiroya	Chief Executive Officer	2.81	26,00,000	24,00,000
Mr. Devendralal Thakur	Non-Executive Independent Director	0.07	65,000	90,000
Mr. Ankur Agrawal	Executive Director	0.59	5,50,000	5,25,000
Mr. Milin Ramani	Non-Executive Independent Director	0.09	80,000	60,000
Ms. Divya Padhiyar	Non-Executive Independent Director	0.09	80,000	20,000
Ms. Nidhi Busa*	Company Secretary	-	-	7,600
Ms. Sneha Mandelia^	Company Secretary	0.28	2,58,547	
Mrs Nirmala Kanjar	Chief Financial Officer	1.05	9,72,516	8,08,850

\* Resigned w.e.f April 19,2019

^ Appointed w.e.f July 01, 2020

- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2020-21 as compared to financial year 2019-20:**

Name of Directors/ KMP	Designation	% increase / decrease in Remuneration
Mr. Bharat Shiroya	Chief Executive Officer	8.33
Mr. Ankur Anil Agrawal	Executive Director	4.76
Mr. Devendra Lal Thakur	Non-Executive Independent Director	Not Applicable
Mr. Milin Jagdish Ramani	Non-Executive Independent Director	Not Applicable
Ms. Divya Padhiyar	Non-Executive Independent Director	Not Applicable
Ms. Sneha Mandelia	Company Secretary	Not Applicable
Mrs. Nirmala Kanjar	Chief Financial Officer	20.23

**3. The Percentage increase in the median remuneration of employees in the financial year 2020–21:**

The percentage increase in the median remuneration of all employees in the financial year was (15.96).

**4. The number of permanent employees on the rolls of Company as on March 31, 2021:**

The number of permanent employees on the rolls of Company as on March 31, 2021 were 9

**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 0.14% vis a vis increase of 19.11% 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.

Please note that the details required to be given as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company since the remuneration drawn by the Directors, KMP'S and Employees are below the limits specified.

**BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED**

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

**Date : July 29, 2021**

**Place : Mumbai**

## CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2021 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.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholders value legally, ethically and sustainably. At Comfort, the Board exercises its fiduciary responsibilities in the widest sense of the term.

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.

### THE BOARD OF DIRECTORS

The Composition of the Board of Directors is in conformity with section 149 of the Companies Act, 2013 ("the Act") read with regulation 17 of the SEBI Listing Regulations

As on March 31, 2021, the Board of Directors consisted of Four Directors, out of which, two Directors are Non- Executive Independent Directors, a Non-Executive Non-Independent woman Director and an Executive Director, who is the Chairman of the Company.

**Directorships and Committee Memberships/Chairmanships in other Companies as on March 31, 2021 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 Agrawal	06408167	Executive Director, Chairman	-	6	7	1
Mr. Devendra Lal Thakur	00392511	Independent Director	-	4	3	5
Mr. Milin Ramani	07697636	Independent Director	-	6	8	1
Mrs. Apeksha Kadam	08878724	Additional Director (Non-Executive- Non-Independent Woman Director)	-	5	0	1

- (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. Further, none of the Director acts as a member of more than ten (10) committees or acts as a chairman of more than five (5) committees across all Public Limited Companies in which they are Director.
- (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.

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"> <li>• Corporate Governance &amp; Ethics</li> <li>• Management &amp; Strategy</li> <li>• Global business perspective</li> <li>• Strategy and Planning</li> <li>• Financial Management &amp; Taxation</li> <li>• Audit &amp; Accounts.</li> </ul>	Non-Executive Independent Director	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited
2.	Mr. Milin Ramani	<ul style="list-style-type: none"> <li>• Corporate Governance &amp; Ethics</li> <li>• Management &amp; Strategy</li> <li>• Personnel Management</li> <li>• Strategy and Planning</li> <li>• Secretarial &amp; Compliance</li> <li>• Audit &amp; Accounts</li> </ul>	Non-Executive Independent Director	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited 4. Tree House Education & Accessories Limited
3.	Mrs. Apeksha Kadam	<ul style="list-style-type: none"> <li>• Management &amp; Strategy</li> <li>• Human Resource Management</li> <li>• Business Administration</li> <li>• Operations and General Management</li> </ul>	Additional Director (Non-Executive- Non-Independent Woman Director)	1. Comfort Commotrade Limited 2. Comfort Intech Limited 3. Luharuka Media & Infra Limited
4	Mr. Ankur Agrawal	<ul style="list-style-type: none"> <li>• Corporate Governance &amp; Ethics</li> <li>• Management &amp; Strategy</li> <li>• Business Administration</li> <li>• Personnel Management</li> <li>• Global business perspective</li> <li>• Strategy and Planning</li> <li>• Financial Management &amp; Taxation</li> <li>• Operations and General Management</li> <li>• Audit &amp; Accounts</li> </ul>	Executive Director, Chairperson	1. Comfort Commotrade Limited 2. Luharuka Media & Infra Limited 3. Comfort Intech Limited

## ➤ Number of Board Meetings

During the financial year ended March 31, 2021, Five (5) Board Meetings were held on July 20, 2020, August 28, 2020, September 10, 2020, October 24, 2020, and February 11, 2021. The details of attendance of Directors at Board Meetings during the financial year 2020-21 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 27 <sup>th</sup> October, 2020
			Held During the tenure	Attended	% of attendance	
1.	Mr. Ankur Agrawal	Executive Director, Chairperson	5	5	100	Yes
2.	Mr. Milin Ramani	Non-Executive - Independent Director	5	5	100	Yes
3.	Ms. Divya Padhiyar #	Director (Non- Executive - Independent Director)	5	5	100	Yes
4.	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	5	4	80	Yes
5.	Mrs. Apeksha Kadam*	Additional Director (Non- Executive – Non- Independent Director)	-	-	-	-

# Resigned w.e.f. closing hours of February 11, 2021

\*Appointed w.e.f. February 12, 2021

## ➤ 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 decision making 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.

### Meetings of the Independent Directors

During the year under review, as per the Schedule IV of the Act and the Rules thereunder mandate the Independent Directors should meet at least once in a year, without the attendance of non-independent directors and members of the Management.

During the year, the independent directors met once without the presence of the Management on February 11, 2021 and all Independent Directors were present at their Meeting.

## ➤ Performance evaluation of the Board

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the SEBI Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual Directors. Based thereon, the evaluation was carried out by the Board. To improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis. The Board and the Nomination and Remuneration Committee



reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness, on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Independent Director being evaluated.

In a separate meeting of Independent Directors, the performance evaluation of the Board as whole, Chairman of the Company and the Non Independent Directors was evaluated. The Board of Directors expressed their satisfaction with the evaluation process based on the recommendation of the Nomination & Remuneration Committee.

#### **COMMITTEES OF THE BOARD:**

The Board as on March 31, 2021 has following three Committees:

- Audit Committee
- Stakeholders Relationship Committee and
- 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 three Directors out of which 2/3<sup>rd</sup> are Independent Directors 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.

Number of Audit Committee Meeting during the financial year 2020-21 is as follow:

During the financial year under review, the Audit Committee met 4 (Four) times on July 20, 2020, September 10, 2020, October 24, 2020, and February 11, 2021.

**Composition and Attendance of the members during the financial year 2020-21 are as follows:**

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	3	80
2.	Mr. Ankur Agrawal	Executive Director	Member	4	4	100
3.	Mr. Milin Ramani	Non-Executive - Independent Director	Member	4	4	100
4.	Ms. Divya Padhiyar *	Non-Executive - Independent Director	Member	4	4	100

\* Resigned as a member of the Committee w.e.f closing hours February 11, 2021.

#### **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.

- Number of Nomination & Remuneration Committee Meeting during the financial year 2020-21 is as follow:

During the financial year under review, the Nomination & Remuneration Committee met 2 (Two) times held on July 20, 2020 and February 11, 2021.

Composition and Attendance of the members during the Financial Year 2020-21 is as follow:

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	2	2	100
2	Mr. Milin Ramani	Non-Executive - Independent Director	Member	2	2	100
3	Ms. Divya Padhiyar ^	Non-Executive - Independent Director	Member	2	2	100
4	Mrs Apeksha Kadam#	Additional Director (Non-Executive - Non- Independent Director	Member	-	-	-

^ Resigned w.e.f closing hours February 11, 2021.

# Appointed w.e.f. February 12, 2021.

### 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 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 high performance workforce 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's & 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>.

**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 making payment of Remuneration to Non-Executive Directors**

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

- During the financial year 2020-21, 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 for the financial year 2020-21 are given in **Annexure 3** of the boards Report.

**c. Details of Remuneration paid to Executive Director:**

The details of remuneration paid to the Executive Directors for the Financial Year 20-21 are given in **Annexure 3** 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.

Number of Stakeholders' Relationship Committee Meetings held during the financial year 2020-21 is as follow:

During the financial year under review, the Stakeholders' Relationship Committee met 4 (Four) on July 20, 2020, September 10, 2020, October 24, 2020, and February 11, 2021.

Composition and Attendance of the members during the financial year 2020-21 is as follow:

	Name of Member	Category	Designation	No. of Meetings		
				Held During the tenure	Attended	% of attendance
1.	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	Chairperson	4	3	80
2.	Mr. Ankur Anil Agrawal	Executive Director	Member	4	4	100

	Name of Member	Category	Designation	No. of Meetings		
				Held During the tenure	Attended	% of attendance
3.	Mr. Milin Jagdish Ramani	Non-Executive - Independent Director	Member	4	4	100
4.	Ms. Divya Padhiyar *	Non-Executive - Independent Director	Member	4	4	100

\* Resigned w.e.f closing hours February 11, 2021.

#### 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, 2021.

#### 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

#### Code of Conduct

Regulation 17(5) of the SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has also adopted a Code of Conduct for Directors and senior management. A declaration duly signed by the Managing Director has been annexed to this report. The code of conduct has been posted on the website of the Company <http://www.comfortfincap.com/Investorrelation>

#### ➤ GENERAL BODY MEETINGS

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

YEAR	LOCATION	DATE	TIME	NATURE OF SPECIAL RESOLUTIONS IF ANY PASSED
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.

YEAR	LOCATION	DATE	TIME	NATURE OF SPECIAL RESOLUTIONS IF ANY PASSED
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
2019-20	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	October 27, 2020	02:30 P.M.	1. 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  2. To approve and Ratify the Related Party Transactions  3. To consider and approve for creation of Security on the properties of the Company, both present and future, in favour of Lenders  4. To consider and approve borrowing money(ies) for the purpose of business of the company

**b. Extra-Ordinary General Meetings**

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

**c. Means of Communication**

- Website: Your Company maintains a website [www.comfortfincap.com](http://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.
- Quarterly /Annual Financial Results: The quarterly / half-yearly / annual results are published in the Financial Express & Duranto Batra and also uploaded on the website of the Company at web link <http://www.comfortfincap.com/Investorrelation>.
- Stock Exchange: BSE's Listing Centre is a web-based application designed by the BSE Limited for Corporate. All periodical compliance filings like Quarterly Results, Shareholding Pattern, Corporate Governance Report, Statement of Investor Complaints and others are in accordance with the SEBI Listing Regulations filed electronically.

- Investor Servicing: E-mail ID: [info@comfortfincap.com](mailto:info@comfortfincap.com) has been designated for the purpose of registering complaints by shareholders or investors. Investors can raise complain on SEBI Complaints Redress System (SCORES) or mail to RTA on [info@bigshareonline.com](mailto:info@bigshareonline.com)

**d. Compliance Officer**

Ms. Sneha Mandelia was appointed as Company Secretary and Compliance Officer of the Company w.e.f July 01, 2020.

**e. 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 SEBI or by any statutory authority on any matters related to capital markets except from BSE Limited. During the year under review except a fine was levied on the Company of Rs.91000/- under Regulation 6 of SEBI Listing Regulations Non appointment of qualified Company Secretary as Compliance Officer of the Company the quarter ended June 2020. The Company has duly complied with the above regulations and paid the fines.

➤ **GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting("AGM") for the F.Y. 2020-21**

<b>Day and Date</b>	Wednesday, September 8, 2021
<b>Time</b>	04:00 P.M.
<b>Venue</b>	Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"),

**b. Capital structure:**

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

**c. Listing on Stock Exchanges**

<b>Name of Stock Exchange</b>	<b>BSE Limited</b>
Stock Code	535267
ISIN	Equity Shares INE274M01018

Annual Listing Fees for the F.Y. 2020-21 and 2021-22 has been paid to the above Stock Exchange.

<b>Name of Stock Exchange</b>	<b>Calcutta Stock Exchange Limited</b>
Stock Code	26078

**d. The Financial year and tentative calendar:**

The Company follows the financial year from April 01 to March 31. Subject to the extension provided by the regulatory due to the Pandemic situation in the Country, Tentative schedule for declaration of financial results during the financial year 2021-22.

Tentative schedule of Financial reporting for:	
Quarter ending June 30, 2021	Second Week of August 2021
Quarter ending September 30, 2021	Second Week of November 2021
Quarter ending December 31, 2021	Second Week of February 2021
Financial year ending March 31, 2022	Fourth week of May 2022

**e. Book Closure Date :** Friday, September 3, 2021**f. Dividend payment date:** No Dividend is recommended for the period under review**g. Address of Correspondence:**

**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@comfortfincap.com](mailto:info@comfortfincap.com)  
Website: [www.comfortfincap.com](http://www.comfortfincap.com)

**h. GDRs / ADRs / Warrants or any Convertible instruments**

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on March 31, 2021.

**i. Suspension of Trading In Securities**

There was no suspension of trading in securities of the Company during the year under review.

**j. Plant Location**

The Company does not have any plants

**k. 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.

# I. Stock Market Data:

High, Low Price and Trading Volume of the Company's Equity Shares during F.Y. 2020-21 at BSE Limited is given below:

BSE Ltd.			
Period	High (Rs.)	Low (Rs.)	Volume Traded
April-20	4.5	4.03	16474
May-20	4.25	3.85	1421
Jun-20	4.23	3.84	5238
Jul-20	5.61	4.23	22522
Aug-20	4.32	3.91	4687
Sep-20	4.41	3.89	122177
Oct-20	4.86	4.2	125
Nov-20	6.18	5.1	1438
Dec-20	8.25	5.88	4999
Jan-21	11.44	8.25	40444
Feb-21	13.17	9.95	22963
Mar-21	11.32	9.84	8754

## m. Performance of Comfort Fincap Limited Share price in comparison to BSE Sensex:

Month	S & P BSE SENSEX			Comfort Fincap Limited		
	High	Low	Close	High Price	Low Price	Close Price
Apr-20	33887.25	27500.79	33717.62	4.5	4.03	4.05
May-20	32845.48	29968.45	32424.1	4.25	3.85	3.95
Jun-20	35706.55	32348.1	34915.8	4.23	3.84	4.23
Jul-20	38617.03	34927.2	37606.89	5.61	4.23	4.32
Aug-20	40010.17	36911.23	38628.29	4.32	3.91	3.91
Sep-20	39359.51	36495.98	38067.93	4.41	3.89	4.41
Oct-20	41048.05	38410.2	39614.07	4.86	4.2	4.86
Nov-20	44825.37	39334.92	44149.72	6.18	5.1	6.18
Dec-20	47896.97	44118.1	47751.33	8.25	5.88	8.25
Jan-21	50184.01	46160.46	46285.77	11.44	8.25	11.21
Feb-21	52516.76	46433.65	49099.99	13.17	9.95	10.84
Mar-21	51821.84	48236.35	49509.15	11.32	9.84	11.32

Source: BSE Limited (www.bseindia.com)



**n. Distribution of Share Holding (in Shares) As on March 31, 2021.**

SR NO	RANGE OF SHAREHOLDING OF NOMINAL		NUMBER OF SHAREHOLDERS	% TO TOTAL	SHARES	% TO TOTAL
1	1	500	920	85.1852	35110	0.3236
2	501	1000	29	2.6852	25269	0.2329
3	1001	2000	23	2.1296	32716	0.3015
4	2001	3000	10	0.9259	24739	0.228
5	3001	4000	5	0.463	18672	0.1721
6	4001	5000	8	0.7407	36803	0.3392
7	5001	10000	13	1.2037	95792	0.8828
8	10001	999999999	72	6.6667	10582199	97.5201
	TOTAL		1080	100.0000	10851300	100.0000

**o. Shareholding Pattern (Category Wise) As on March 31, 2021**

Sr No	CATEGORY	Total Shareholders	% of Shareholders	Total Shares	% of Shares
1	Clearing Member	2	0.1852	70002	0.6451
2	Corporate Bodies	32	2.9630	1507773	13.8949
3	Corporate Bodies (Promoter Co)	1	0.0926	540500	4.9810
4	Foreign Portfolio Investor	1	0.0926	170000	1.5666
5	Group Companies	1	0.0926	3810500	35.1156
6	Non Resident Indian	3	0.2778	4808	0.0443
7	Promoters / Directors	1	0.0926	1164000	10.7268
8	Public	1039	96.2037	3583717	33.0257
	<b>TOTAL</b>	<b>1080</b>	<b>100.0000</b>	<b>10851300</b>	<b>100.0000</b>

**p. List of the Top 10 Shareholders of the Company (Excluding Promoter Group) As on March 31, 2021:**

Sr. No	Category	Total Shares	Percent
1	Kripa Securities Private Limited	439700	4.052
2	Shyamsurat Rajbali Singh	404388	3.7266
3	Snehapusph Marketing Private Limited	339644	3.13
4	Rajendra Kumar Rawal	179256	1.65
5	Aidos India Fund Ltd	170000	1.57
6	Ami Jaimeek Pate	157801	1.45
7	Sangita Rupesh Vaghasia	156019	1.44

Sr. No	Category	Total Shares	Percent
8	Intercity Builders Private Limited	139000	1.28
9	Seema Pravinkumar Jhunhunwala	134500	1.24
10	Suresh Laxmanbhai Bhalala	120700	1.11

**q. Dematerialization of Shares & Liquidity**

Break-up of shares in physical & electronic mode as on March 31, 2021.

Mode	No of shareholders	% of total shareholders	No of shares	% of total shares
Physical	9	0.83	13401	0.12
NSDL	436	40.37	1877446	17.30
CDSL	635	58.80	8960453	82.58
<b>Total</b>	<b>1080</b>	<b>100</b>	<b>10851300</b>	<b>100</b>

**r. Share Transfer System**

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1<sup>st</sup> April, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Our Registrar and Transfer Agent registers securities sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order.

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.

**s. 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 consecutive period of 7 years from the date of transfer of such amount to unpaid dividend account is required to be transferred to Investors Education and Protection Fund (IEPF) Authority established by Central Government. Accordingly all the members who have not encashed the dividend warrants since financial year 2013-14, 2014-15 and thereafter are requested to take steps to contact the RTA of the Company.

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

**t. 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 un-paid/unclaimed Dividend Account of the financial year 2013-14 which is due in October 2021. The Company has send individual correspondence to the shareholders and published 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.

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.

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](http://www.iepf.gov.in)).

**u. Green Initiatives for Sending Communication**

The Company requests the Shareholders to register their Email ID with Depository Participants (DPs)/ RTA in best the interest of environment so that Annual report and other communications can be sent electronically to all the members.

**v. 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 Regulations. Further, as required by Schedule V of the SEBI Listing Regulations, the Certificate on Corporate Governance received from M/s. Mitesh J Shah & Associates, Company Secretaries is annexed to the Report. Further, other mandatory requirements are not applicable to the Company.

**w. 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.

**x. 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.. Further, all the updated policies of the Company are available at the website of the Company.

**y. Disclosure relating to Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company's Policy provides for protection against sexual harassment of women employees at workplace and for prevention and redressal of such complaints. 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 Section 22 of the Sexual Harassment of Woman 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

#### **z. 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/> and references to these codes and policies have been given at relevant sections in this report

#### **4. Compliance with non mandatory requirement under SEBI Listing Regulations:**

- **Shareholders Rights:** Quarterly/ Half Yearly / Yearly Results are subjected to Limited Review by Statutory Auditors and are generally published in Financial Express & Duranto Batra newspaper having wide circulation. The said Results are made available on the website of the Company <http://www.comfortfincap.com/Investorrelation>. Other information relating to shareholding pattern and other requisite matters are uploaded on BSE website and on the Company's website in the investors section.
- **Modified Opinion(s) in Audit Report** - The Company's Financial Statements for the financial year 2020 –21 has the modified opinion and the management's explanation on the said modified opinion appears in the Board's report.
- **Reporting of Internal Auditor** - The Internal Auditor report directly to the Audit Committee, attends the Audit Committee meetings, and interacts directly with the Audit Committee members.

#### **5. Other Disclosure**

##### **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. 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.comfortfincap.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.comfortfincap.com/Investorrelation>. During the period under review there are no subsidiaries of the Company.

**ii. 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.

**iv. 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.

- v. Total fees paid to Statutory Auditors of the Company is Rs.2,75,000/- for financial year 2020-21, for all services\ on a consolidated basis.

**vi. Certificate from Practicing Company Secretary**

A Certificate has been received from, M/s. Mitesh J. Shah & Associates 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.

**vii. 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.

**viii. Chief Executive Officer and Chief Financial Officer Certification**

The Chief Executive Officer and the Chief Financial Officer of the Company 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, 2021. The said certificate is annexed and forms part of this report.

**ix. Recommendations of Committees of the Board**

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

**x. Registrar to an Issue and Share Transfer Agent****BIGSHARE SERVICES PVT. LTD.**

1<sup>st</sup> 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](http://www.bigshareonline.com);  
Email ID: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**xi. Depository for Equity Shares**

**National Securities Depository Limited**

Trade World, 'A' Wing, 4<sup>th</sup> Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013  
Tel : 91 22 2499 4200 Fax : 91 22 2497 6351

**Central Depository Services (India) Limited**

Marathon Futurex, A-Wing, 25<sup>th</sup> floor, NM Joshi Marg,  
Lower Parel, Mumbai – 400 013.

**BY ORDER OF THE BOARD OF DIRECTORS OF COMFORT FINCAP LIMITED**

**DATE : JULY 29, 2021**  
**PLACE: MUMBAI**

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

**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 SEBI Listing Regulations, 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, 2021.

**For Comfort Fincap Limited****Place: Mumbai****Date: May 25, 2021****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: MAY 25, 2021**

## 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**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Comfort Fincap Limited CIN: L65923WB1982PLC035441**, having its registered office at 22 Camac Street Block 'B' Kolkata -700016 and its corporate office at 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch S.V. Road, Malad Mumbai - 400064 (hereinafter called "the Company"), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

### Details of Directors:

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Devendralal Rambharose Thakur	00392511	24/11/2015
2.	Ankur Anil Agrawal	06408167	29/06/2019
3.	Milin Jagdish Ramani	07697636	29/06/2019
4.	Apeksha Santosh Kadam	08878724	12/02/2021

Ensuring the eligibility 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 this 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.

**Mitesh J. Shah**  
**Practicing Company Secretary**  
**FCS No. 10070**  
**C. P. No. 12891**  
**UDIN No: F010070C000365931**

**Date: 25 May, 2021**  
**Place: Mumbai**



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Comfort Fincap Limited**

We have examined the compliance of conditions of Corporate Governance by **Comfort Fincap Limited CIN: L65923WB1982PLC035441**, having its registered office at 22 Camac Street Block 'B' Kolkata -700016 and its corporate office at 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch S.V. Road, Malad Mumbai - 400064 (hereinafter called "the Company") for the year ended on March 31, 2021, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance to the extent applicable, as stipulated in the provisions specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreement of the said Company with stock exchange.

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

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For Mitesh J. Shah & Associates**  
**(Company Secretaries)**

**Mitesh J. Shah**  
**Proprietor**  
**FCS No.: 10070**  
**C. P. No.: 12891**  
**UDIN No: F010070C000365942**

**Date: 25 May, 2021**  
**Place: Mumbai**

## MANAGEMENT DISCUSSION AND ANALYSIS

### MACROECONOMIC OVERVIEW

The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown in April. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks.

Given the impact of the pandemic, FY2021 was expected to be an extremely demanding year. The consensus was that GDP growth in FY2021 would not only be negative but also would constitute the greatest fall in growth since 1979-80. The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. The Reserve Bank of India's (RBI) prompt response during the crisis helped avert a financial collapse. It implemented measures like slashing interest rates, announcing fiscal stimulus package and allowing loan moratorium, among others. Together, these measures helped stabilise the economy. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support.

#### Key policy announcements of the Union Budget 2020-21 include:

- A new Debt-ETF (Exchange Traded Fund) consisting primarily of Government securities to be floated, given its recent experience of floating debt-based ETF.
- It proposed to exempt the stamp duty chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any IFSC. This amendment is proposed to attract foreign investors to invest in Indian companies through IFSC and to provide an operational tool to the Central Government, including SEBI and RBI, for effective implementation. The amendment shall be effective from April 1, 2020.
- Liquidity measures to banking and financial institutions and micro, small, and medium enterprises (MSMEs) to boost credit growth. To improve overall transport infrastructure such as railways, inland waterways, roads, highways and airports and provide an impetus to connectivity while bridging the gap between remote and urban areas.
- Collateral-free loan for businesses.

As per the FY 2020-21 Budget, fiscal deficit is expected to be 3.8% of GDP in FY 2019-20 and 3.5% in FY 2020-21. This is higher than the 3.3% and 3% envisaged for FY 2019-20 and FY 2020-21, respectively, in the FY 2020-21 Budget.

The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing the key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory

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

**Financial Services Industry**

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

The Government in the current budget increased FDI limit in insurance to 74% from 49%. The hike in the FDI limit in the insurance sector will boost insurers to raise additional funds and tide over the financial problems. The relaxation of foreign investment rules has witnessed a positive response from the insurance sector, with a large number of companies announcing plans to increase their stakes in joint ventures with Indian companies. 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 FY 2021 and is expected to fall below the target of 4% in second half of FY 2021.

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 F.Y. 2020-21. However, the containment duration, the extent of global slump and further domestic policy support will decide the shape of economic recovery.

**ABOUT THE COMFORT FINCAP LIMITED****Business Overview**

The Company was originally incorporated as Parasnath Textiles Limited (PTL) on November 12, 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. 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. Thereafter Company's name was changed from Parasnath Textiles Limited to Comfort Fincap Limited dated 4th June, 2011.

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.

Since the Company is NBFC it is now developing to position 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 PERFORMNACE:

The summary of Audited Consolidated and Standalone Financial performance of the Company, for the financial year ended March 31, 2021 is summarized as under:

(Rs in Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from Operations	1112.77	578.87	1112.77	578.87
Other operating Income	1.01	1.98	1.01	1.98
Total Revenue	1113.78	580.85	1113.78	580.85
Total Expenditure	555.79	392.05	555.79	392.05
Profit before Tax	558.00	188.80	558.00	188.80
Current Tax Expenses	179.96	127.71	179.96	127.71
Deferred Tax	(35.36)	(62.68)	(35.36)	(62.68)
Tax of earlier years	(4.61)	(0.08)	(4.61)	(0.08)
Profit for the Year	418.00	123.86	418.01	123.86
Earnings Per Share (EPS)	3.85	1.14	3.85	1.14

At Standalone and Consolidated Level, the Company registered revenue from operations of Rs. 1112.77 lakhs for the year ended March 31, 2021 as compared to Rs 578.87 lakhs in the previous financial year ended March 31, 2020. The Net profit stood at Rs. 418.00 lakhs for the year ended March 31, 2021 as compared to the profit of Rs. 123.86 lakhs in the previous financial year ended March 31, 2020.

Details of Significant changes, if any, in the Key Financial Ratios, along with the detailed explanation thereof:

Key Ratios	FY 20-21	FY19-20
Debt/Equity Ratio	0.75	0.52
Return on Net worth	0.10	0.03
Interest Coverage Ratio	3.08	2.12
Net profit Ratio	0.38	0.21
Return on Capital Employed	0.20	0.10
Earnings Per Share (EPS)	3.85	1.14

## SWOT ANALYSIS

### STRENGTHS:

During FY 2020-21, your Company addressed the challenges posed by the COVID-19 pandemic with enhanced focus on protecting the balance sheet and strengthening the business franchise.

- a well-defined unambiguous and expansible organization structure of the Company
- The Company has a long standing presence spanning over two decades of financing, resulting in deep understanding with a Simplified and prompt loan request appraisal and disbursements in the market that we operates in.

- The Company's biggest strength is its qualified & experienced professionals Board as well as the Experienced and stable management team

**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.
- Regulatory Hurdles: Unfavourable changes in government policies and the regulatory environment can adversely impact the performance of the sector.
- Uncertain economic and political environment.

**OPPORTUNITIES AND THREATS**

- Increase in demand and declining interest rate regime
- Untapped use of digital solutions for business/ collections.
- Large Market, Large untapped rural and urban markets.
- Shortage of Manpower & Technology
- Longer than expected slowdown in the economy due to COVID
- Adverse regulatory changes

**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

**INTERNAL CONTROL:**

The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business, including regular front-end and back-end operations and internal compliances. It lays emphasis to check on process controls, measures undertaken by the Company to monitor risk and to check for leakages or frauds. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

**HUMAN RESOURCES (HR)**

Human Capital as its core strength in achieving the sustainable growth path and therefore as on March 31, 2021, the Company had a total head count of 9 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.

Your Company is Subject to specific risks that are particular to its business and the environment in which it operates, which includes market risk, interest rate volatility, execution risk and economic cycle. The Company is exposed to liquidity risk principally as a result of lending to its customers for periods which may differ from those of its funding sources. Financial firms are now increasingly focused on asset-liability risk. Asset-liability risk is a leveraged form of risk. The capital of most financial institutions is small relative to the firm's assets or liabilities, hence small percentage changes in assets or liabilities can translate into large percentage changes in capital.

Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. The ability to manage risks across geographies, products, asset classes, customer segments and functional departments is of paramount importance for the hindrance free growth of every organisation.

## **OUTLOOK**

Outlook for the coming financial year continues to remain uncertain, with the COVID-19 situation evolving each day. Apart from agriculture, health care and related activities, most other sectors of the economy have been adversely impacted by the pandemic and are expected to show de-growth. The Company is providing inter corporate loans, personal loans, loans against shares & securities, loans against properties, Mortgage Loans, Auto / Home Loans, trade financing, bills discounting, trading in shares & securities. The temporary market shocks (such as those due to pandemics / epidemics such as COVID-19) are not considered to have material impacts on the business of the Company. The management is optimistic about the future outlook of the Company. The Company will expand its activities, consistent with its status as a NBFC.

## **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 assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

The management of the Company has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect a true and fair manner, the state of affairs and profit / loss for the year. The narrative on our financial condition and result of operations should be read together with the notes to the financial statements included in the annual report. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax regime, economic developments within India and abroad, financial markets, etc.

**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, 2021, 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, 2021, 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.

**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, issued 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 24 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 except amount of Rs.89,042/- pertaining to dividend paid for FY 2012-13 due to error in uploading the requisite form on the MCA website. The Company has already lodged complaint on the MCA website and also escalated the issue via email. The issue has not yet been resolved as on the date of signing the financial statements.

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

**A.R. Sodha**  
**Partner**  
**M No.031878**  
**Place: Mumbai**  
**Date : 25th May, 2021**  
**UDIN : 21031878AAAADE8416**

**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 and on the basis of records furnished before us, the schedule for repayment of principal wherever applicable and payment of interest has been stipulated and the repayments are being received as stipulated.
  - c. According to information and explanation given to us and on the basis of records furnished, 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	AY.2013-14, AY 2016-17, AY 2017-18, AY 2018-19, AY 2019-20	13.66 Lakhs	Rectification yet to filed. Refer Note 24 . to financial statements

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 Accountants**  
**FRN 031878**

**A.R. Sodha**  
**Partner**  
**M No.031878**  
**Place: Mumbai**  
**Date : 25th May, 2021**  
**UDIN : 21031878AAAADE8416**

**ANNEXURE B TO AUDITORS' 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, 2021 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, 2021, 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 031878**

**A.R. Sodha**  
**Partner**  
**M No.031878**  
**Place: Mumbai**  
**Date : 25th May, 2021**  
**UDIN : 21031878AAAADE8416**

# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Amount in INR)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	26,05,974	26,39,837
(b) Receivables			
i) Trade Receivables	3	4,32,000	18,283
ii) Other Receivables		-	-
(c) Loans	4	69,78,40,112	50,84,60,749
(d) Investments	5	3,27,37,525	6,11,47,023
(e) Other Financial assets (to be specified)	6	12,62,741	11,48,664
		<b>73,48,78,352</b>	<b>57,34,14,555</b>
<b>(2) Non-Financial Assets</b>			
(a) Property, plant and equipment	7	1,51,916	1,74,220
(b) Other non-financial assets		-	-
		<b>1,51,916</b>	<b>1,74,220</b>
<b>TOTAL ASSETS</b>		<b>73,50,30,268</b>	<b>57,35,88,775</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(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	49,08,350	12,34,487
(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	30,66,56,169	18,98,29,835
(b) Other financial liabilities	10	49,60,104	35,31,267
		<b>31,65,24,624</b>	<b>19,45,95,589</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	11	1,00,19,169	87,70,853
(c) Deferred tax liabilities (Net)	12	10,36,142	45,71,792
		<b>1,10,55,311</b>	<b>1,33,42,645</b>
<b>(3) EQUITY</b>			
(a) Equity Share capital	13	10,85,13,000	10,85,13,000
(b) Other Equity*		29,89,37,333	25,71,37,541
		<b>40,74,50,333</b>	<b>36,56,50,541</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,50,30,268</b>	<b>57,35,88,775</b>
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

**A.R. Sodha**  
Partner  
Membership No. : 031878

Mumbai, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in INR)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I</b>	<b>Revenue from Operations</b>	14		
(a)	Interest Income		9,35,07,359	7,07,12,480
(b)	Dividend Income		2,11,458	11,01,332
(c)	Fees and commission Income		23,13,474	30,53,545
(d)	Net gain on derecognition of financial instruments under amortised cost category		1,26,54,910	(1,82,10,047)
(e)	Sale of services		25,90,000	12,30,000
	<b>Total Revenue from Operations</b>		<b>11,12,77,201</b>	<b>5,78,87,311</b>
<b>II</b>	<b>Other Income</b>	15	1,01,078	1,97,895
<b>III</b>	<b>Total Income (I + II)</b>		<b>11,13,78,279</b>	<b>5,80,85,206</b>
<b>IV</b>	<b>Expenses</b>			
(a)	Finance Costs	16	2,68,27,522	1,69,03,834
(b)	Fees and commission expense	17	51,18,094	5,32,813
(c)	Impairment on financial instruments	18	23,68,675	55,39,585
(d)	Employee Benefit Expenses	19	83,38,190	77,17,258
(e)	Depreciation and Amortization Expense	7	22,304	95,996
(f)	Other Expenses	20	1,29,03,961	84,15,879
	<b>Total Expense</b>		<b>5,55,78,746</b>	<b>3,92,05,364</b>
<b>V</b>	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>		<b>5,57,99,532</b>	<b>1,88,79,842</b>
VI	Exceptional Items		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>5,57,99,532</b>	<b>1,88,79,842</b>
VIII	Tax Expense:			
(a)	Current Tax		1,79,96,100	1,27,70,900
(b)	Tax of earlier year		(4,60,710)	(8,476)
(c)	Deferred Tax		(35,35,650)	(62,68,122)
			<b>1,39,99,740</b>	<b>64,94,302</b>
<b>IX</b>	<b>Profit (Loss) for the period (VII-VIII)</b>		<b>4,17,99,793</b>	<b>1,23,85,539</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
<b>A</b>	Items that will not be reclassified to profit or loss			
(i)	Gain/(Loss) on sale of Investments		-	(10,45,805)
(ii)	Fair value changes of equity instruments through other comprehensive income		-	-
			-	<b>(10,45,805)</b>
<b>XI</b>	<b>Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>4,17,99,793</b>	<b>1,13,39,735</b>
<b>XII</b>	<b>Earnings Per Equity Share (Face Value Rs. 10/- Per Share):</b>			
	Basic (Rs.)	21	3.85	1.14
	<b>Significant Accounting Policies</b>	1		

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, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137



# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in INR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	5,57,99,532	1,88,79,842
<b>Adjustments for :</b>		
Interest Paid	2,68,27,522	1,69,03,834
Depreciation	22,304	95,996
Profit/(loss) from Sale of Equity Instruments held for trading	(90,60,337)	(9,45,634)
Change in Fair Value of Current Investments	(35,94,573)	1,91,55,681
Impairment on Financial Instruments	23,68,675	55,39,585
<b>Operating Profit before Working Capital change</b>	<b>7,23,63,124</b>	<b>5,96,29,303</b>
<b>Adjustments for :</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories		
Trade receivables	(4,13,717)	1,49,867
Loans	(19,17,48,038)	(4,59,27,212)
Other financial assets	(1,14,077)	11,91,049
Other current assets		
Other non-current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	36,73,863	5,72,342
Other financial liabilities	14,28,838	(12,30,797)
Short-term provisions		
Long-term provisions	51,02,701	(6,58,455)
<b>Cash Generated From Operations</b>	<b>(11,48,10,008)</b>	<b>1,43,84,552</b>
Income Tax paid	1,62,87,074	92,57,207
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>(13,10,97,082)</b>	<b>51,27,345</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments (Purchased)/Sold	4,10,64,408	1,35,17,462
Fixed Assets (Purchased)/Sold	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>4,10,64,408</b>	<b>1,35,17,462</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Capital		
Dividend Paid	-	-
Loan taken / (Repaid) in Secured Loan	11,68,26,334	(93,81,834)
Interest paid	(2,68,27,522)	(1,69,03,834)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>8,99,98,812</b>	<b>(2,62,85,668)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>	<b>(33,862)</b>	<b>(76,40,862)</b>
Cash and Cash Equivalents -- Opening Balance	26,39,836	1,02,80,698
Cash and Cash Equivalents -- Closing Balance	26,05,974	26,39,836
	-	-

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

**A.R. Sodha**  
Partner  
Membership No. : 031878

Mumbai, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

### A. EQUITY SHARE CAPITAL

Particulars	Amount(Rs.)
As at 1 April, 2019	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2020	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2021	10,85,13,000

### B. Other Equity

Particulars	Other Equity					
	Reserve and Surplus				Other Comprehensive Income	Total other Equity
	Share Premium	Impairment Reserve	Special Reserve	Retained Earnings		
<b>As at 31st March, 2019</b>	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
<b>As at 31st March, 2020</b>	8,09,20,000	-	3,32,54,839	14,45,82,006	-16,19,305	25,71,37,541
Total Comprehensive Income for the year	-	-	-	4,17,99,793	-	4,17,99,793
Transfer from Profit and Loss	-	-	-	(1,08,59,959)	-	(1,08,59,959)
Transfer to Special Reserve	-	-	83,59,959	-	-	83,59,959
Transfer to Impairment Reserve	-	25,00,000	-	-	-	25,00,000
<b>As at 31st March, 2021</b>	8,09,20,000	25,00,000	4,16,14,798	17,55,21,840	-16,19,305	29,89,37,333

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, May 25, 2021

**Ankur Agrawal**

Director  
DIN : 06408167

**Nirmala Kanjar**

Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**

Director  
DIN : 08878724

**Sneha Mandelia**

Company Secretary  
ACS: 49137

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****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. 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.

**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 :**

- 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.

**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 or as per Company's assessment, at the end of each reporting period, of increase/decrease in credit risk at borrower level 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 and associates 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 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

				(Amount in INR)
Particulars	As at March 31, 2021		As at March 31, 2020	
<b>Cash &amp; Cash Equivalents</b>				
(a) Balances with Banks :				
- Current Accounts	15,27,232		14,73,684	
- Deposits (under lien with banks)*	10,00,000	25,27,232	10,00,000	24,73,684
(b) Cash-in-hand		78,742		1,66,153
<b>TOTAL</b>		<b>26,05,974</b>		<b>26,39,837</b>

## Note 3 - Trade Receivables

Notes 6 – Trade Receivables

(Amount in INR)			
Particulars	As at March 31, 2021		As at March 31, 2020
<b>(a) Due for a period exceeding six months</b>			
- Unsecured, considered good	-		3,171
- Doubtful	-		-
Less: Provision for Doubtful Debts	-	-	-
			3,171
		-	3,171
<b>(b) Others</b>			
- Unsecured, considered good	4,32,000		15,112
- Doubtful	-		-
Less: Provision for Doubtful Debts	-	4,32,000	-
			15,112
		4,32,000	15,112
<b>TOTAL</b>		<b>4,32,000</b>	<b>18,283</b>

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

## Note 4 - Loans

		(Amount in INR)		
Particulars		As at March 31, 2021	As at March 31, 2020	
i) Advances Considered good & in respect of which Company is fully secured	44,95,91,367		37,71,29,329	
Less: Impairment loss allowance	(18,03,165)	44,77,88,202	(15,12,050)	37,56,17,280
ii) Advances Considered good for which Company holds no Security other than personal security	22,54,53,725		8,41,15,806	
Less: Impairment loss allowance	(9,01,815)	22,45,51,910	(3,36,463)	8,37,79,343
iii) Sub-Standard Advances in respect of which Company is;				
Secured	-		4,42,38,918	
Less: Impairment loss allowance	-	-	(44,23,892)	3,98,15,026
iv) Doubtful Advances in respect of which Company is;				
Secured	3,50,00,000		1,28,13,000	
Less: Impairment loss allowance	(95,00,000)	2,55,00,000	(35,63,900)	92,49,100
<b>TOTAL</b>		<b>69,78,40,112</b>		<b>50,84,60,749</b>

## Note 5 - Investments

		(Amount in INR)	
Particulars		As at March 31, 2021	As at March 31, 2020
<b>At Fair Value through Profit and Loss Account</b>			
In Equity Instruments		81,37,525	3,65,47,023
<b>At Fair Value through Other Comprehensive Income</b>			
Equity Shares			-
<b>At Cost</b>			
<u>In Equity Shares of Associate Companies - Unquoted Fully paid-up</u>			
2,20,000 (March 2020 - 2,20,000) equity shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)		2,20,00,000	2,20,00,000
<u>In Equity Shares of Other Companies - Unquoted Fully paid-up</u>			
2,00,000 (March 2020 - 2,00,000) equity shares of Liquors India Limited (F.V. Rs. 10/- each)		26,00,000	26,00,000
<b>TOTAL</b>		<b>3,27,37,525</b>	<b>6,11,47,023</b>

**Note 6 - Other Financial Assets**

<b>Particulars</b>	<b>(Amount in INR)</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
(a) Interest accrued on Fixed Deposits	-	8,511
(b) Prepaid Expenses	22,631	4,583
(c) Other Advances	2,81,650	13,000
(d) Security deposit	-	1,30,000
(e) Income Tax Refund receivable	9,58,460	9,58,460
(f) GST Credit	-	34,110
<b>TOTAL</b>	<b>12,62,741</b>	<b>11,48,664</b>

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

## Note : 7 Property, plant and equipment

(Amount in INR)

Tangible assets	Gross block			Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2021	Balance as at 31 March, 2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10,38,394	-	-	10,38,394	10,38,394	-	-	-	-
Air Condition	2,23,071	-	-	2,23,071	48,851	22,304	-	1,51,916	1,74,220
<b>Total</b>	<b>12,61,465</b>	<b>-</b>	<b>-</b>	<b>12,61,465</b>	<b>10,87,245</b>	<b>22,304</b>	<b>-</b>	<b>1,51,916</b>	<b>1,74,220</b>
Previous year	12,61,465	-	-	12,61,465	9,91,249	95,996	-	1,74,220	2,70,216

**Note 8 - Trade Payables**

Particulars	(Amount in INR)	
	As at March 31, 2021	As at March 31, 2020
Trade Payables	49,08,350	12,34,487
<b>TOTAL</b>	<b>49,08,350</b>	<b>12,34,487</b>

**Note 9 - Short Term Borrowings**

Particulars	(Amount in INR)	
	As at March 31, 2021	As at March 31, 2020
<b>At Amortised Cost</b>		
(a) Loans repayable on demand		
From banks		
Secured*	1,34,95,859	1,65,72,929
Unsecured	-	-
	1,34,95,859	1,65,72,929
* 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**	10,55,65,060	4,34,10,421
Unsecured	18,75,95,250	12,98,46,485
	29,31,60,310	17,32,56,906
** Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 9.25% to 11.50%.		
<b>TOTAL</b>	<b>30,66,56,169</b>	<b>18,98,29,835</b>

**Note 10 - Other financial Liabilities**

Particulars	(Amount in INR)	
	As at March 31, 2021	As at March 31, 2020
Other Payables	35,05,036	20,76,198
Un-paid Dividend	14,55,069	14,55,069
<b>TOTAL</b>	<b>49,60,104</b>	<b>35,31,267</b>

**Note 11 - Current Tax Liabilities (net)**

Particulars	(Amount in INR)	
	As at March 31, 2021	As at March 31, 2020
Provision for Taxation (net of Advance tax & TDS)	1,00,19,169	87,70,853
<b>TOTAL</b>	<b>1,00,19,169</b>	<b>87,70,853</b>

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

## Note 12 - Deferred Tax Liabilities (net)

		(Amount in INR)	
Particulars	As at March 31, 2021	As at March 31, 2020	
Deferred Tax Liabilities/(Assets) relates to the following			
Depreciation and amortisation	(50,130)	(66,445)	
Unrealised net gain on fair value changes	10,86,272	46,38,237	45,71,792
<b>TOTAL</b>	<b>10,36,142</b>	<b>45,71,792</b>	

## Note 13 -Equity Share Capital

		(Amount in INR)	
(a) Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Authorised :</b>			
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000	
<b>TOTAL</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>	
<b>Issued and Subscribed :</b>			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	
<b>TOTAL</b>	<b>10,85,13,000</b>	<b>10,85,13,000</b>	
<b>Subscribed and Paid-up :</b>			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	
<b>TOTAL</b>	<b>10,85,13,000</b>	<b>10,85,13,000</b>	

## (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, 2021	As at March 31, 2020
<b>Number of shares at the beginning of the year</b>	<b>1,08,51,300</b>	<b>1,08,51,300</b>
<b>Add: Issue of Shares during the year</b>		
Number of shares allotted as fully paid-up during the year	-	-
	-	-
<b>No. of shares at the end of the year</b>	<b>1,08,51,300</b>	<b>1,08,51,300</b>

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

No. of Shares held by	As at March 31, 2021		As at March 31, 2020	
	Nos.	%	Nos.	%
Luharuka Commotrade Pvt Ltd	38,10,500	35.12%	38,10,500	35.12%
Anil Agarwal HUF	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, 2021	For the year ended March 31, 2020
(a) <u>Interest Income</u>		
From Loans & Advances	9,34,47,359	7,06,48,574
From Term deposits	60,000	63,906
	9,35,07,359	7,07,12,480
(b) Dividend Income	2,11,458	11,01,332
(c) <u>Fees and Commission</u>		
Loan Processing Fee received	23,13,474	30,53,545
(d) <u>Net Gain on Fair Value Changes</u>		
Profit/(loss) from Sale of Equity Instruments held for trading	90,60,337	9,45,634
Change in Fair Value of Equity Instruments held for trading	35,94,573	(1,91,55,681)
	1,26,54,910	(1,82,10,047)
(e) <u>Sale of Services</u>		
Financial Advisory & Consultancy	25,90,000	12,30,000
<b>TOTAL</b>	<b>11,12,77,201</b>	<b>5,78,87,311</b>

**Note 15 - Other Income**

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Other Misc. income	1,01,078	1,97,895
<b>TOTAL</b>	<b>1,01,078</b>	<b>1,97,895</b>



**COMFORT FINCAP LIMITED**

## Annual Report 2020-2021

**Note 16 - Financial Costs****(Amount in INR)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Interest Expenses	2,68,27,522	1,69,03,834
<b>TOTAL</b>	<b>2,68,27,522</b>	<b>1,69,03,834</b>

**Note 17 - Fees and commission expense****(Amount in INR)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Commission Expenses	51,18,094	5,32,813
<b>TOTAL</b>	<b>51,18,094</b>	<b>5,32,813</b>

**Note 18 - Impairment on financial instruments****(Amount in INR)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Provision for Advances	23,68,675	55,39,585
<b>TOTAL</b>	<b>23,68,675</b>	<b>55,39,585</b>

**Note 19 - Employment Benefit Expenses****(Amount in INR)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Salaries , Bonus & Allowances	79,49,707	73,67,348
PF Expenses	1,12,474	1,21,309
Staff Insurance Expenses	49,452	38,495
Staff Welfare Expenses	2,26,557	1,90,106
<b>TOTAL</b>	<b>83,38,190</b>	<b>77,17,258</b>

**Note 20 - Other Expenses**

(Amount in INR)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement Expenses	44,743	42,394
Annual Listing fees	3,56,500	3,27,000
Bad-Debts	50,38,168	-
Business promotion expenses	5,20,036	2,01,222
Custodial Fees	1,16,750	95,140
Director's Sitting Fees	3,16,100	2,94,300
Insurance Expenses	6,648	7,813
Legal, Professional & Technical Charges	23,11,309	15,45,605
Miscellaneous Expenses	8,76,074	12,53,389
Penalty Expenses	2,14,700	2,19,000
Printing, Postage & Stationery Expenses	1,94,400	2,98,145
Professional Tax	2,500	2,500
Payments to Auditors :		
- Audit & Tax Audit fees	2,98,400	2,80,250
- For Other Services	-	-
Travelling & Conveyance Expenses	14,53,676	29,32,898
Telephone Expenses	1,65,388	1,32,211
Repairs & Maintenance Expenses	1,70,760	1,45,107
Rent Expenses	6,00,000	6,00,000
Share Trading Expense	2,17,807	38,905
<b>TOTAL</b>	<b>1,29,03,961</b>	<b>84,15,879</b>

**Note 21 - Earnings Per Equity Share**

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Net profit after tax attributable to equity shareholders for		
Basic EPS	4,17,99,793	1,23,85,539
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for	4,17,99,793	1,23,85,539
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	3.85	1.14

**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. 23) 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 2021

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	31-03-2021	81,37,525	-	-	81,37,525
Equity instrument classified under FVOCI	31-03-2021	-	-	-	-

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	-	-	-	-

**COMFORT FINCAP LIMITED**

## Annual Report 2020-2021

Fair Value of Financial Instruments not measured at fair value as at 31 March 2021

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)	
<b>Financial Assets</b>					
Cash and cash equivalents	26,05,974	26,05,974	-	-	26,05,974
Receivables					
i) Trade Receivables	4,32,000	-	-	4,32,000	4,32,000
ii) Other Receivables	-	-	-	-	-
Loans	69,78,40,112	-	-	69,78,40,112	69,78,40,112
Investments	2,46,00,000	-	-	2,46,00,000	2,46,00,000
Other Financial assets (to be specified)	12,62,741	-	-	12,62,741	12,62,741
<b>Financial Liabilities</b>					
<b>Payables</b>					
(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	49,08,350	-	-	49,08,350	49,08,350
(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	30,66,56,169	-	-	30,66,56,169	30,66,56,169
Other financial liabilities	49,60,104	-	-	49,60,104	49,60,104

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)	
<b>Financial Assets</b>					
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
<b>Financial Liabilities</b>					
<b>Payables</b>					
(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	12,34,486.98	-	-	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

**24. Contingent Liabilities and Commitments**

Particulars	2020-2021 (Rs.)	2019-2020 (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.13,66,756/- (AY 13-14, 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 following up with the respective parties to deposit the TDS and give the credit of TDS and once the TDS credit is given, the Company will apply for rectification. The Management is confident that said demand will be reversed.

**25. Auditors' Remuneration**

For Audit Fees

2020-2021	2019-2020
Rs. 2,75,000	Rs 2,60,000
<u>Rs. 2,75,000</u>	<u>Rs. 2,60,000</u>

**26. Foreign Currency Transactions:**

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

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

**28.** There are no dues to Micro and Small Enterprises as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**29. Loans Given:**

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

Particulars	2020-2021 (Rs.)	2019-2020 (Rs.)
Secured against Immovable Property	7,80,04,501	9,80,88,327
Secured against Shares	34,97,97,292	28,36,44,569
Secured against bill discounting	5,29,12,756	6,64,66,738

- b. Disclosure pursuant to RBI Notification- RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020- A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments' as of 31 March 2021:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions as required under Ind AS 109)	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	67,50,45,092	27,04,980	67,23,40,112	27,04,980	0
	Stage 2					
Subtotal		<b>67,50,45,092</b>	<b>27,04,980</b>	<b>67,23,40,112</b>	<b>27,04,980</b>	<b>0</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3					
Doubtful - up to 1 year	Stage 3	2,50,00,000	65,00,000	1,85,00,000	90,00,000	-25,00,000
1 to 3 years	Stage 3	1,00,00,000	30,00,000	70,00,000	30,00,000	0
More than 3 years	Stage 3	0				
Subtotal for doubtful		<b>3,50,00,000</b>	<b>95,00,000</b>	<b>2,55,00,000</b>	<b>1,20,00,000</b>	<b>-25,00,000</b>
Loss	Stage 3	0	0	0	0	0
Subtotal for NPA		0	0	0	0	0
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	0	0	0	0	0
	Stage 2	0	0	0	0	0
	Stage 3	0	0	0	0	0
Subtotal		0	0	0	0	0
Total	Stage 1	67,50,45,092	27,04,980	67,23,40,112	27,04,980	0
	Stage 2	0	0	0	0	0
	Stage 3	3,50,00,000	95,00,000	2,55,00,000	1,20,00,000	-25,00,000
	Total	<b>71,00,45,092</b>	<b>1,22,04,980</b>	<b>69,78,40,112</b>	<b>1,47,04,980</b>	<b>-25,00,000</b>



**30.** 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)<br>Mrs. Nirmala H. Kanjar (CFO)<br>Mr. Bharat Shiroya (CEO)<br>Ms. Sneha Mandelia (CS)   |
| b) | Promoters and their relatives                         | : | Anil Agrawal –HUF (Promoter)<br>Luharuka Commotrade Pvt. Ltd. (Promoter)<br>Luharuka Sales & Services Pvt. Ltd. (Promoter)<br>Mrs. Annu Agrawal (Relative)<br>Ms. Deepika Agrawal (Relative)                                  |
| c) | Associate Company                                     | : | Lemonade Share & Securities Pvt. Ltd.   |
| d) | KMP or relative of KMP<br>having substantial interest | : | Comfort Securities Limited<br>Comfort Intech Limited<br>Comfort Commotrade Limited<br>Comfort Capital Pvt. Ltd.<br>Flora Fountain Properties Ltd.<br>Luharuka Exports Pvt. Ltd.<br>Luharuka Investment & Consultants Pvt. Ltd |

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

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
<b>1</b>	<b>i) Loan Given</b>			
	Comfort Securities Ltd.	-	-	3,07,00,000
		-	-	-
	Deepika Agrawal	-	5,08,10,000	-
		-	(1,20,00,000)	-
	Luharuka Commotrade Pvt. Ltd.	-	20,83,283	-
		-	(10,00,000)	-
	Luharuka Sales & Services Pvt. Ltd	-	28,10,000	-
		-	(3,65,00,000)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	1,16,75,000
		-	-	(2,67,00,000)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Flora Fountain properties Ltd.	-	-	26,35,00,000 (1,47,00,000)
	Luharuka Exports Pvt. Ltd.	-	-	32,00,000 -
	Comfort Commotrade Ltd	-	-	6,20,00,000 -
	<b>ii) Loan Received Back</b>			
	Comfort Capital Pvt. Ltd.	-	-	35,00,000 (1,55,00,000)
	Flora Fountain properties Ltd.	-	-	12,30,00,000 (1,47,00,000)
	Luharuka Sales & Services Pvt. Ltd	-	1,00,00,000 (35,00,000)	- -
	Comfort Securities Ltd	-	-	3,07,00,000 -
	Deepika Agrawal	-	7,96,00,000 -	- -
	Luharuka Commotrade Pvt. Ltd.	-	80,99,753 -	- -
	Luharuka Exports Pvt. Ltd.	-	-	32,00,000 -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	3,95,90,000 -
	Comfort Commotrade Ltd.	-	-	3,45,00,000 -
<b>2</b>	<b>i) Loan taken</b>			
	Comfort Commotrade Ltd	-	-	4,50,00,000 -
	Comfort Intech Limited	-	-	14,75,00,000 (13,70,00,000)
	<b>ii) Loan Repaid</b>			
	Comfort Commotrade Ltd	-	-	4,50,00,000 -

**COMFORT FINCAP LIMITED**

Annual Report 2020-2021

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Comfort Intech Limited	-	-	9,35,00,000
		-	-	(14,55,00,000)
<b>3</b>	<b>Security deposit received back</b>			
	Annu Agrawal	-	1,30,000	-
		-	(7,70,000)	-
	Anil Agrawal –HUF	-	-	-
		-	(4,00,000)	-
<b>4</b>	<b>Income</b>			
	Comfort Capital Pvt. Ltd.	-	-	1,43,107
		-	-	(17,12,163)
	Deepika Agrawal	-	38,03,968	-
		-	(38,10,377)	-
	Luharuka Commotrade Pvt. Ltd.	-	9,09,964	-
		-	(7,49,474)	-
	Luharuka Sales & Services Pvt. Ltd	-	47,26,722	-
		-	(24,81,212)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	23,68,474
		-	-	(18,85,073)
	Flora Fountain properties Ltd.	-	-	87,53,867
		-	-	(1,26,083)
	Comfort Securities Ltd	-	-	2,28,568
		-	-	-
	Comfort Commotrade Ltd	-	-	5,67,863
		-	-	-
	Luharuka Exports Pvt. Ltd.	-	-	51,860
		-	-	-
<b>5</b>	<b>Expenses</b>			
	<b>Demat Charges Paid</b>			
	Comfort Securities Limited	-	-	-
		-	-	(1,041)
	<b>Brokerage Paid</b>			
	Comfort Securities Limited	-	-	98,492
		-	-	(28,423)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	<b>Office Rent Paid</b>			
	Anil Agrawal –HUF	- -	5,00,000 (3,00,000)	- -
	Annu Agrawal	- -	1,00,000 (3,00,000)	- -
	<b>Remuneration</b>			
	Bharat Shiroya	26,00,000 (24,00,000)	- -	- -
	Nirmala H Kanjar	9,72,516 (8,08,850)	- -	- -
	Deepika Agrawal	- -	12,00,000 (14,00,000)	- -
	Ankur Agrawal	- -	5,50,000 (5,25,000)	- -
	Sneha Mandelia	2,58,547 -	- -	- -
	Nidhi Busa	- (7,600)	- -	- -
	<b>Interest Paid</b>			
	Comfort Intech Limited	- -	- -	1,42,15,591 (69,38,866)
	Comfort Commotrade Limited	- -	- -	13,15,720 -
	<b>Director Sitting fee Paid</b>			
	Annu Agrawal	- -	- (10,000)	- -
	Anil Agrawal	- -	- (20,000)	- -
	Ankur Agrawal	65,000 (55,000)	- -	- -
	<b>Amount outstanding as at Balance Sheet date</b>			
	<b>Loan Given</b>			
	Flora Fountain Properties Ltd.	- -	- -	14,28,04,491 -

**COMFORT FINCAP LIMITED**

Annual Report 2020-2021

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Deepika Agrawal	-	57,86,312 (3,39,80,477)	- -
	Luharuka Sales & Services Pvt. Ltd.	-	3,22,27,807 (3,50,45,590)	- -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	9,75,838 (2,83,58,415)
	Comfort Commotrade Ltd.	-	-	2,80,25,273 -
	<b>Loan taken</b>			
	Comfort Intech Limited	-	-	14,12,09,651 (8,35,00,000)

*Figure in bracket relates to previous year.*

**31. 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.

**32. 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, May 25, 2021

**Ankur Agrawal**

Director  
DIN : 06408167

**Nirmala Kanjar**

Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**

Director  
DIN : 08878724

**Sneha Mandelia**

Company Secretary  
ACS: 49137



**This Page is Left Intentially Blank**

**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, 2021, 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, 2021, 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.

**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.

**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. 1,163 for the year ended 31st March, 2021, 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, 2021 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 as on March 31, 2021 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 24 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 any amount to be transferred to Investor Education and Protection fund by the Company except amount of Rs.89,042/-pertaining to dividend paid for FY 2012-13 due to error in uploading the requisite form on the MCA website. The Company has already lodged complaint on the MCA website and also escalated the issue via email. The issue has not yet been resolved as on the date of signing the financial statements.

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

**A.R. Sodha**  
**Partner**  
**M No.031878**  
**Place : Mumbai**  
**Date : 25th May, 2021**  
**UDIN : 21031878AAAADF2896**

**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, 2021, 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, 2021, 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.031878**  
**Place : Mumbai**  
**Date : 25th May, 2021**  
**UDIN : 21031878AAAADF2896**

# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Amount in INR)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	26,05,974	26,39,837
(b) Receivables			
i) Trade Receivables	3	4,32,000	18,283
ii) Other Receivables		-	-
(c) Loans	4	69,78,40,112	50,84,60,749
(d) Investments	5	3,30,42,262	6,14,50,597
(e) Other Financial assets (to be specified)	6	12,62,741	11,48,664
		<b>73,51,83,089</b>	<b>57,37,18,129</b>
(2) Non-Financial Assets			
(a) Property, plant and equipment	7	1,51,916	1,74,220
(b) Other non-financial assets		-	-
		<b>1,51,916</b>	<b>1,74,220</b>
<b>TOTAL ASSETS</b>		<b>73,53,35,005</b>	<b>57,38,92,349</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(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	49,08,350	12,34,487
(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	30,66,56,169	18,98,29,835
(b) Other financial liabilities	10	49,60,104	35,31,267
		<b>31,65,24,624</b>	<b>19,45,95,589</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	11	1,00,19,169	87,70,853
(c) Deferred tax liabilities (Net)	12	10,36,142	45,71,792
		<b>1,10,55,311</b>	<b>1,33,42,645</b>
<b>(3) EQUITY</b>			
(a) Equity Share capital	13	10,85,13,000	10,85,13,000
(b) Other Equity*		29,92,42,070	25,74,41,114
		<b>40,77,55,070</b>	<b>36,59,54,114</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,53,35,005</b>	<b>57,38,92,349</b>
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

**A.R. Sodha**  
Partner  
Membership No. : 031878

Mumbai, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in INR)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I</b>	<b>Revenue from Operations</b>	14		
(a)	Interest Income		9,35,07,359	7,07,12,480
(b)	Dividend Income		2,11,458	11,01,332
(c)	Fees and commission Income		23,13,474	30,53,545
(d)	Net gain on derecognition of financial instruments under amortised cost category		1,26,54,910	(1,82,10,047)
(e)	Sale of services		25,90,000	12,30,000
	<b>Total Revenue from Operations</b>		<b>11,12,77,201</b>	<b>5,78,87,311</b>
<b>II</b>	<b>Other Income</b>	15	1,01,078	1,97,895
<b>III</b>	<b>Total Income (I + II)</b>		<b>11,13,78,279</b>	<b>5,80,85,206</b>
<b>IV</b>	<b>Expenses</b>			
(a)	Finance Costs	16	2,68,27,522	1,69,03,834
(b)	Fees and commission expense	17	51,18,094	5,32,813
(c)	Impairment on financial instruments	18	23,68,675	55,39,585
(d)	Employee Benefit Expenses	19	83,38,190	77,17,258
(e)	Depreciation and Amortization Expense	7	22,304	95,996
(f)	Other Expenses	20	1,29,03,961	84,15,879
	<b>Total Expense</b>		<b>5,55,78,746</b>	<b>3,92,05,364</b>
<b>V</b>	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>		<b>5,57,99,532</b>	<b>1,88,79,842</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>5,57,99,532</b>	<b>1,88,79,842</b>
<b>VIII</b>	<b>Tax Expense:</b>			
(a)	Current Tax		1,79,96,100	1,27,70,900
(b)	Tax of earlier year		(4,60,710)	(8,476)
(c)	Deferred Tax		(35,35,650)	(62,68,122)
			<b>1,39,99,740</b>	<b>64,94,302</b>
<b>IX</b>	<b>Profit (Loss) for the period (VII-VIII)</b>		<b>4,17,99,793</b>	<b>1,23,85,539</b>
<b>X</b>	<b>Add : Share of (Profit)/Loss of Associate</b>		1,163	283
<b>XI</b>	<b>Profit for the Period (after adjustment for Associate (IX + X))</b>		<b>4,18,00,955</b>	<b>1,23,85,822</b>
<b>XII</b>	<b>Other Comprehensive Income</b>			
	A Items that will not be reclassified to profit or loss			
(i)	Gain/(Loss) on sale of Investments		-	(10,45,805)
(ii)	Fair value changes of equity instruments through other comprehensive income		-	-
			<b>-</b>	<b>(10,45,805)</b>
<b>XIII</b>	<b>Total Comprehensive Income for the period (IX+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>4,18,00,955</b>	<b>1,13,40,017</b>
<b>XIV</b>	<b>Earnings Per Equity Share (Face Value Rs. 10/- Per Share):</b>	21	3.85	1.14
	Basic (Rs.)			
	Significant Accounting Policies	1		

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, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137

# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in INR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	5,57,99,532	1,88,79,842
<b>Adjustments for :</b>		
Interest Paid	2,68,27,522	1,69,03,834
Depreciation	22,304	95,996
Profit/(loss)from Sale of Equity Instruments held for trading	(90,60,337)	(9,45,634)
Change in Fair Value of Current Investments	(35,94,573)	1,91,55,681
Impairment on Financial Instruments	23,68,675	55,39,585
<b>Operating Profit before Working Capital change</b>	<b>7,23,63,124</b>	<b>5,96,29,303</b>
<b>Adjustments for :</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories		
Trade receivables	(4,13,717)	1,49,867
Loans	(19,17,48,038)	(4,59,27,212)
Other financial assets	(1,14,077)	11,91,049
Other current assets		
Other non-current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	36,73,863	5,72,342
Other financial liabilities	14,28,838	(12,30,797)
Short-term provisions		
Long-term provisions	51,02,701	(6,58,455)
<b>Cash Generated From Operations</b>	<b>(11,48,10,008)</b>	<b>1,43,84,552</b>
Income Tax paid	1,62,87,074	92,57,207
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>(13,10,97,082)</b>	<b>51,27,345</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments (Purchased)/Sold	4,10,64,408	1,35,17,462
Fixed Assets (Purchased)/Sold	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>4,10,64,408</b>	<b>1,35,17,462</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Issue of Equity Capital</b>		
Dividend Paid	-	-
Loan taken / (Repaid) in Secured Loan	11,68,26,334	(93,81,834)
Interest paid	(2,68,27,522)	(1,69,03,834)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>8,99,98,812</b>	<b>(2,62,85,668)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>	<b>(33,862)</b>	<b>(76,40,862)</b>
Cash and Cash Equivalents -- Opening Balance	26,39,836	1,02,80,698
Cash and Cash Equivalents -- Closing Balance	26,05,974	26,39,836
	-	-

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

**A.R. Sodha**  
**Partner**  
**Membership No. : 031878**

Mumbai, May 25, 2021

**Ankur Agrawal**  
Director  
DIN : 06408167

**Nirmala Kanjar**  
Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**  
Director  
DIN : 08878724

**Sneha Mandelia**  
Company Secretary  
ACS: 49137

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

## **A. EQUITY SHARE CAPITAL**

Particulars	Amount(Rs.)
As at 1 April, 2019	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2020	10,85,13,000
Changes in equity share capital	-
As at 31 March, 2021	10,85,13,000

## **B. Other Equity**

Particulars	Other Equity					Total other Equity
	Reserve and Surplus				Other Comprehensive Income	
	Share Premium	Impairment Reserve	Special Reserve	Retained Earnings		
As at 31st March, 2019	8,09,20,000	-	3,09,87,048	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	8,09,20,000	-	3,32,55,051	14,48,85,368	-16,19,305	25,74,41,114
Total Comprehensive Income for the year	-	-	-	4,18,00,955	-	4,18,00,955
Transfer from Profit and Loss	-	-	-	(1,08,59,959)	-	(1,08,59,959)
Transfer to Special Reserve	-	-	83,59,959	-	-	83,59,959
Transfer to Impairment Reserve	-	25,00,000	-	-	-	25,00,000
As at 31st March, 2021	8,09,20,000	25,00,000	4,16,15,010	17,58,26,364	-16,19,305	29,92,42,070

**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, May 25, 2021

**Ankur Agrawal**

Director  
DIN : 06408167

**Nirmala Kanjar**

Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**

Director  
DIN : 08878724

**Sneha Mandelia**

Company Secretary  
ACS: 49137



**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE – '1'****SIGNIFICANT ACCOUNTING POLICIES:****A. PRINCIPLES OF CONSOLIDATION**

- i) 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 2021 and are prepared based on the accounting policies consistent with those used by the company.
- ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110-'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.
- iii) The Consolidated financial statements have been prepared on the following basis:
  - a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.
  - b) The policies of the associate company are consistent with those of the Company.
- iv) 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. 2020-2021	F.Y. 2019-2020
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.

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.

**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 or as per Company's assessment, at the end of each reporting period, of increase/decrease in credit risk at borrower level 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 and associates 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 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

		(Amount in INR)	
Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Cash &amp; Cash Equivalents</b>			
(a) Balances with Banks :			
- Current Accounts	15,27,232	14,73,684	
- Deposits (under lien with banks)*	<u>10,00,000</u>	<u>10,00,000</u>	24,73,684
(b) Cash-in-hand	78,742		1,66,153
<b>TOTAL</b>	<b><u>26,05,974</u></b>		<b><u>26,39,837</u></b>



# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### Note 3 - Trade Receivables

		(Amount in INR)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) <b>Due for a period exceeding six months</b>			
- Unsecured, considered good	-	3,171	
- Doubtful	-	-	
Less: Provision for Doubtful Debts	-	-	3,171
	-		3,171
(b) <b>Others</b>			
- Unsecured, considered good	4,32,000	15,112	
- Doubtful	-	-	
Less: Provision for Doubtful Debts	-	4,32,000	15,112
	4,32,000		15,112
<b>TOTAL</b>	<b>4,32,000</b>		<b>18,283</b>

### Note 4 - Loans

		(Amount in INR)	
Particulars	As at March 31, 2021	As at March 31, 2020	
i) Advances Considered good & in respect of which Company is fully secured	44,95,91,367	37,71,29,329	
Less: Impairment loss allowance	(18,03,165)	(15,12,050)	37,56,17,280
	44,77,88,202		
ii) Advances Considered good for which Company holds no Security other than personal security	22,54,53,725	8,41,15,806	
Less: Impairment loss allowance	(9,01,815)	(3,36,463)	8,37,79,343
	22,45,51,910		
iii) Sub-Standard Advances in respect of which Company is;			
Secured	-	4,42,38,918	
Less: Impairment loss allowance	-	(44,23,892)	3,98,15,026
	-		
iv) Doubtful Advances in respect of which Company is;			
Secured	3,50,00,000	1,28,13,000	
Less: Impairment loss allowance	(95,00,000)	(35,63,900)	92,49,100
	2,55,00,000		
<b>TOTAL</b>	<b>69,78,40,112</b>		<b>50,84,60,749</b>

## Note 5 - Investments

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>At Fair Value through Profit and Loss Account</b>		
In Equity Instruments	81,37,525	3,65,47,023
Equity Shares		-
<b>At Cost</b>		
<u>In Equity Shares of Associate Companies - Unquoted Fully paid-up</u>		
2,20,000 Equity shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)	2,23,04,737	2,23,03,574
<u>In Equity Shares of Other Companies - Unquoted Fully paid-up</u>		
2,00,000 (March 2020 - 2,00,000) equity shares of Liquors India Limited (F.V. Rs. 10/- each)	26,00,000	26,00,000
<b>TOTAL</b>	<b>3,30,42,262</b>	<b>6,14,50,597</b>

## Note 6 - Other Financial Assets

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued on Fixed Deposits	-	8,511
(b) Prepaid Expenses	22,631	4,583
(c) Other Advances	2,81,650	13,000
(d) Security deposit	-	1,30,000
(e) Income Tax Refund receivable	9,58,460	9,58,460
(f) GST Credit	-	34,110
<b>TOTAL</b>	<b>12,62,741</b>	<b>11,48,664</b>

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

## Note : 7 Property, plant and equipment

(Amount in INR)

Tangible assets	Gross block			Accumulated depreciation and impairment					Net block	
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March, 2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10,38,394	-	-	10,38,394	10,38,394	-	-	10,38,394	-	-
Air Condition	2,23,071	-	-	2,23,071	48,851	22,304	-	71,155	1,51,916	1,74,220
<b>Total</b>	<b>12,61,465</b>	<b>-</b>	<b>-</b>	<b>12,61,465</b>	<b>10,87,245</b>	<b>22,304</b>	<b>-</b>	<b>11,09,549</b>	<b>1,51,916</b>	<b>1,74,220</b>
Previous year	12,61,465	-	-	12,61,465	9,91,249	95,996	-	10,87,245	1,74,220	2,70,216

**Note 8 - Trade Payables**

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables	49,08,350	12,34,487
<b>TOTAL</b>	<b>49,08,350</b>	<b>12,34,487</b>

**Note 9 - Short Term Borrowings**

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>At Amortised Cost</b>		
(a) Loans repayable on demand		
From banks		
Secured*	1,34,95,859	1,65,72,929
Unsecured	- 1,34,95,859	- 1,65,72,929
(b) Loans and advances from Others		
Secured**	10,55,65,060	4,34,10,421
Unsecured	18,75,95,250	12,98,46,485
<b>TOTAL</b>	<b>30,66,56,169</b>	<b>18,98,29,835</b>

\* Secured loans are lien on FDR kept with bank . The interest rate on this facility is FD Interest Rate+1%

\*\* Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 9.25% to 11.50%.

**Note 10 - Other financial Liabilities**

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables	35,05,036	20,76,198
Un-paid Dividend	14,55,069	14,55,069
<b>TOTAL</b>	<b>49,60,104</b>	<b>35,31,267</b>

**Note 11 - Current Tax Liabilities (net)**

(Amount in INR)		
Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Taxation (net of Advance tax & TDS)	1,00,19,169	87,70,853
<b>TOTAL</b>	<b>1,00,19,169</b>	<b>87,70,853</b>

# COMFORT FINCAP LIMITED

Annual Report 2020-2021

## Note 12 - Deferred Tax Liabilities (net)

		(Amount in INR)	
Particulars	As at March 31, 2021	As at March 31, 2020	
<u>Deferred Tax Liabilities/(Assets) relates to the following</u>			
Depreciation and amortisation	(50,130)	(66,445)	
Unrealised net gain on fair value changes	10,86,272	46,38,237	45,71,792
<b>TOTAL</b>	<b>10,36,142</b>	<b>45,71,792</b>	

## Note 13 -Equity Share Capital

		(Amount in INR)	
(a) Particulars	As at March 31, 2021	As at March 31, 2020	
<b>Authorised :</b>			
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	15,00,00,000	15,00,00,000	
<b>TOTAL</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>	
<b>Issued and Subscribed :</b>			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	
<b>TOTAL</b>	<b>10,85,13,000</b>	<b>10,85,13,000</b>	
<b>Subscribed and Paid-up :</b>			
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	10,85,13,000	10,85,13,000	
<b>TOTAL</b>	<b>10,85,13,000</b>	<b>10,85,13,000</b>	

### (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, 2021	As at March 31, 2020
<b>Number of shares at the beginning of the year</b>	1,08,51,300	1,08,51,300
<b>Add: Issue of Shares during the year</b>		
Number of shares allotted as fully paid-up during the year	-	-
<b>No. of shares at the end of the year</b>	<b>1,08,51,300</b>	<b>1,08,51,300</b>

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

No. of Shares held by	As at March 31, 2021		As at March 31, 2020	
	Nos.	%	Nos.	%
Luharuka Commotrade Pvt Ltd	38,10,500	35.12%	38,10,500	35.12%
Anil Agarwal HUF	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, 2021	For the year ended March 31, 2020
<b>(a) Interest Income</b>		
From Loans & Advances	9,34,47,359	7,06,48,574
From Term deposits	60,000	63,906
	9,35,07,359	7,07,12,480
<b>(b) Dividend Income</b>	2,11,458	11,01,332
<b>(c) Fees and Commission</b>		
Loan Processing Fee received	23,13,474	30,53,545
<b>(d) Net Gain on Fair Value Changes</b>		
Profit/(loss) from Sale of Equity Instruments held for trading	90,60,337	9,45,634
Change in Fair Value of Equity Instruments held for trading	35,94,573	(1,91,55,681)
	1,26,54,910	(1,82,10,047)
<b>(e) Sale of Services</b>		
Financial Advisory & Consultancy	25,90,000	12,30,000
<b>TOTAL</b>	<b>11,12,77,201</b>	<b>5,78,87,311</b>

**Note 15 - Other Income**

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Other Misc. income	1,01,078	1,97,895
<b>TOTAL</b>	<b>1,01,078</b>	<b>1,97,895</b>

**Note 16 - Financial Costs**

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses	2,68,27,522	1,69,03,834
<b>TOTAL</b>	<b>2,68,27,522</b>	<b>1,69,03,834</b>

**COMFORT FINCAP LIMITED**

## Annual Report 2020-2021

**Note 17 - Fees and commission expense**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Commission Expenses	51,18,094	5,32,813
<b>TOTAL</b>	<b>51,18,094</b>	<b>5,32,813</b>

**Note 18 - Impairment on financial instruments**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Provision for Advances	23,68,675	55,39,585
<b>TOTAL</b>	<b>23,68,675</b>	<b>55,39,585</b>

**Note 19 - Employment Benefit Expenses**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Salaries , Bonus & Allowances	79,49,707	73,67,348
PF Expenses	1,12,474	1,21,309
Staff Insurance Expenses	49,452	38,495
Staff Welfare Expenses	2,26,557	1,90,106
<b>TOTAL</b>	<b>83,38,190</b>	<b>77,17,258</b>

## Note 20 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement Expenses	44,743	42,394
Annual Listing fees	3,56,500	3,27,000
Bad-Debts	50,38,168	-
Business promotion expenses	5,20,036	2,01,222
Custodial Fees	1,16,750	95,140
Director's Sitting Fees	3,16,100	2,94,300
Insurance Expenses	6,648	7,813
Legal, Professional & Technical Charges	23,11,309	15,45,605
Miscellaneous Expenses	8,76,074	12,53,389
Penalty Expenses	2,14,700	2,19,000
Printing, Postage & Stationery Expenses	1,94,400	2,98,145
Professional Tax	2,500	2,500
Payments to Auditors :		
- Audit & Tax Audit fees	2,98,400	2,80,250
- For Other Services	-	-
Travelling & Conveyance Expenses	14,53,676	29,32,898
Telephone Expenses	1,65,388	1,32,211
Repairs & Maintenance Expenses	1,70,760	1,45,107
Rent Expenses	6,00,000	6,00,000
Share Trading Expense	2,17,807	38,905
<b>TOTAL</b>	<b><u>1,29,03,961</u></b>	<b><u>84,15,879</u></b>

## Note 21 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Net profit after tax attributable to equity shareholders for Basic EPS</b>	4,17,99,793	1,23,85,539
Add/Less: Adjustment relating to potential equity shares	- 4,17,99,793	- 1,23,85,539
Net profit after tax attributable to equity shareholders for Diluted EPS	4,17,99,793	1,23,85,539
<b>(b) Weighted average no. of equity shares outstanding during the year For Basic EPS</b>	1,08,51,300	1,08,51,300
<b>(c) Face Value per Equity Share (Rs.)</b>	10.00	10.00
Basic EPS	3.85	1.14



**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. 23) 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 2021

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	31-03-2021	81,37,525	-	-	81,37,525
Equity instrument classified under FVOCI	31-03-2021	-	-	-	-

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	-	-	-	-

Fair Value of Financial Instruments not measured at fair value as at 31 March 2021

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)	
<b>Financial Assets</b>					
Cash and cash equivalents	26,05,974	26,05,974	-	-	26,05,974
Receivables					
i) Trade Receivables	4,32,000	-	-	4,32,000	4,32,000
ii) Other Receivables	-	-	-	-	-
Loans	69,78,40,112	-	-	69,78,40,112	69,78,40,112
Investments	2,49,04,737	-	-	2,49,04,737	2,49,04,737
Other Financial assets (to be specified)	12,62,741	-	-	12,62,741	12,62,741

**COMFORT FINCAP LIMITED**

Annual Report 2020-2021

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)	
<b>Financial Liabilities</b>					
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	49,08,350	-	-	49,08,350	49,08,350
(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	30,66,56,169	-	-	30,66,56,169	30,66,56,169
Other financial liabilities	49,60,104	-	-	49,60,104	49,60,104

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)	
<b>Financial Assets</b>					
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	6,14,50,597	-	-	6,14,50,597	6,14,50,597
Other Financial assets (to be specified)	11,48,664	-	-	11,48,664	11,48,664

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)	
<b>Financial Liabilities</b>					
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	30,66,56,169	-	-	30,66,56,169	30,66,56,169
Other financial liabilities	49,60,104	-	-	49,60,104	49,60,104

#### 24. Contingent Liabilities and Commitments

Particulars	2020-2021 (Rs.)	2019-2020 (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.13,66,756/- (AY 13-14, 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 following up with the respective parties to deposit the TDS and give the credit of TDS and once the TDS credit is given, the Company will apply for rectification. The Management is confident that said demand will be reversed.

# COMFORT FINCAP LIMITED

## Annual Report 2020-2021

### 25. Auditors' Remuneration

For Audit Fees

2020-2021	2019-2020
Rs. 2,75,000	Rs 2,60,000
Rs. 2,75,000	Rs. 2,60,000

### 26. Foreign Currency Transactions:

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

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

28. There are no dues to Micro and Small Enterprises as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

### 29. Loans Given:

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

Particulars	2020-2021 (Rs.)	2019-2020 (Rs.)
Secured against Immovable Property	7,80,04,501	9,80,88,327
Secured against Shares	34,97,97,292	28,36,44,569
Secured against bill discounting	5,29,12,756	6,64,66,738

b. Disclosure pursuant to RBI Notification- RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020- A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments' as of 31 March 2021:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions as required under Ind AS 109)	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	67,50,45,092	27,04,980	67,23,40,112	27,04,980	-
	Stage 2					
Subtotal		<b>67,50,45,092</b>	<b>27,04,980</b>	<b>67,23,40,112</b>	<b>27,04,980</b>	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3					
Doubtful - up to 1 year	Stage 3	2,50,00,000	6500000	1,85,00,000	90,00,000	-25,00,000
1 to 3 years	Stage 3	1,00,00,000	3000000	70,00,000	30,00,000	-

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss Allowances (Provisions as required under Ind AS 109)	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
More than 3 years	Stage 3	-				
Subtotal for doubtful		3,50,00,000	95,00,000	2,55,00,000	1,20,00,000	-25,00,000
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	67,50,45,092	27,04,980	67,23,40,112	27,04,980	-
	Stage 2	-	-	-	-	-
	Stage 3	3,50,00,000	95,00,000	2,55,00,000	1,20,00,000	-25,00,000
	Total	71,00,45,092	1,22,04,980	69,78,40,112	1,47,04,980	-25,00,000

**30.** 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)  
Mrs. Nirmala H. Kanjar (CFO)  
Mr. Bharat Shiroya (CEO)  
Ms. Sneha Mandelia (CS)
- 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)

**COMFORT FINCAP LIMITED**

## Annual Report 2020-2021

- c) Associate Company : Lemonade Share & Securities Pvt. Ltd.
- d) KMP or relative of KMP having substantial interest :  
 Comfort Securities Limited  
 Comfort Intech Limited  
 Comfort Commotrade Limited  
 Comfort Capital Pvt. Ltd.  
 Flora Fountain Properties Ltd.  
 Luharuka Exports Pvt. Ltd.  
 Luharuka Investment & Consultants Pvt. Ltd

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

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
<b>1</b>	<b>i) Loan Given</b>			
	Comfort Securities Ltd.	-	-	3,07,00,000
		-	-	-
	Deepika Agrawal	-	5,08,10,000	-
		-	(1,20,00,000)	-
	Luharuka Commotrade Pvt. Ltd.	-	20,83,283	-
		-	(10,00,000)	-
	Luharuka Sales & Services Pvt. Ltd	-	28,10,000	-
		-	(3,65,00,000)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	1,16,75,000
		-	-	(2,67,00,000)
	Flora Fountain properties Ltd.	-	-	26,35,00,000
		-	-	(1,47,00,000)
	Luharuka Exports Pvt. Ltd.	-	-	32,00,000
		-	-	-
	Comfort Commotrade Ltd	-	-	6,20,00,000
		-	-	-
	<b>ii) Loan Received Back</b>			
	Comfort Capital Pvt. Ltd.	-	-	35,00,000
		-	-	(1,55,00,000)
	Flora Fountain properties Ltd.	-	-	12,30,00,000
		-	-	(1,47,00,000)
	Luharuka Sales & Services Pvt. Ltd	-	1,00,00,000	-
		-	(35,00,000)	-

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Comfort Securities Ltd	-	-	3,07,00,000
		-	-	-
	Deepika Agrawal	-	7,96,00,000	-
		-	-	-
	Luharuka Commotrade Pvt. Ltd.	-	80,99,753	-
		-	-	-
	Luharuka Exports Pvt. Ltd.	-	-	32,00,000
		-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	3,95,90,000
		-	-	-
	Comfort Commotrade Ltd.	-	-	3,45,00,000
		-	-	-
<b>2</b>	<b>i) Loan taken</b>			
	Comfort Commotrade Ltd	-	-	4,50,00,000
		-	-	-
	Comfort Intech Limited	-	-	14,75,00,000
		-	-	(13,70,00,000)
	<b>ii) Loan Repaid</b>			
	Comfort Commotrade Ltd	-	-	4,50,00,000
		-	-	-
	Comfort Intech Limited	-	-	9,35,00,000
		-	-	(14,55,00,000)
<b>3</b>	<b>Security deposit received back</b>			
	Annu Agrawal	-	1,30,000	-
		-	(7,70,000)	-
	Anil Agrawal –HUF	-	-	-
		-	(4,00,000)	-
<b>4</b>	<b>Income</b>			
	Comfort Capital Pvt. Ltd.	-	-	1,43,107
		-	-	(17,12,163)
	Deepika Agrawal		38,03,968	-
			(38,10,377)	-
	Luharuka Commotrade Pvt. Ltd.	-	9,09,964	-
		-	(7,49,474)	-



**COMFORT FINCAP LIMITED**

Annual Report 2020-2021

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Luharuka Sales & Services Pvt. Ltd	-	47,26,722 (24,81,212)	- -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	23,68,474 (18,85,073)
	Flora Fountain properties Ltd.	-	-	87,53,867 (1,26,083)
	Comfort Securities Ltd	-	-	2,28,568 -
	Comfort Commotrade Ltd	-	-	5,67,863 -
	Luharuka Exports Pvt. Ltd.	-	-	51,860 -
<b>5</b>	<b>Expenses</b>			
	<b>Demat Charges Paid</b>			
	Comfort Securities Limited	-	-	- (1,041)
	<b>Brokerage Paid</b>			
	Comfort Securities Limited	-	-	98,492 (28,423)
	<b>Office Rent Paid</b>			
	Anil Agrawal –HUF	-	5,00,000 (3,00,000)	- -
	Annu Agrawal	-	1,00,000 (3,00,000)	- -
	<b>Remuneration</b>			
	Bharat Shiroya	26,00,000 (24,00,000)	- -	- -
	Nirmala H Kanjar	9,72,516 (8,08,850)	- -	- -
	Deepika Agrawal	-	12,00,000 (14,00,000)	- -
	Ankur Agrawal	-	5,50,000 (5,25,000)	- -

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Sneha Mandelia	2,58,547	-	-
		-	-	-
	Nidhi Busa	-	-	-
		(7,600)	-	-
	<b>Interest Paid</b>			
	Comfort Intech Limited	-	-	1,42,15,591
		-	-	(69,38,866)
	Comfort Commotrade Limited	-	-	13,15,720
		-	-	-
	<b>Director Sitting fee Paid</b>			
	Annu Agrawal	-	-	-
		-	(10,000)	-
	Anil Agrawal	-	-	-
		-	(20,000)	-
	Ankur Agrawal	65,000	-	-
		(55,000)	-	-
	<b>Amount outstanding as at Balance Sheet date</b>			
	<b>Loan Given</b>			
	Flora Fountain Properties Ltd.	-	-	14,28,04,491
		-	-	-
	Deepika Agrawal	-	57,86,312	-
		-	(3,39,80,477)	-
	Luharuka Sales & Services Pvt. Ltd.		3,22,27,807	
			(3,50,45,590)	
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	9,75,838
		-	-	(2,83,58,415)
	Comfort Commotrade Ltd.	-	-	2,80,25,273
		-	-	-
	<b>Loan taken</b>			
	Comfort Intech Limited	-	-	14,12,09,651
		-	-	(8,35,00,000)

Figure in bracket relates to previous year.

**31. 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.

**32. 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, May 25, 2021

**Ankur Agrawal**

Director  
DIN : 06408167

**Nirmala Kanjar**

Chief Financial Officer

Mumbai, May 25, 2021

**Apeksha Kadam**

Director  
DIN : 08878724

**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.