



COMFORT FINCAP LIMITED

Registered Office :- 22, Block B, Camac Street, Behind Pantaloons, Kolkata, West Bengal - 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 ; Website : www.comfortfincap.com

CIN : L65923WB1982PLC035441

Date: August 29, 2022

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

Sub: Intimation regarding Notice of the 40th Annual General Meeting ("AGM") and Annual Report 2021-22

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 40th AGM of shareholders and the Annual Report for the Financial Year 2021-22. The same is circulated to the shareholders through electronic mode.

Details of Annual General Meeting:

Particulars	Details
Day and Date	Wednesday, September 21, 2022
Time	11:00 A.M. (IST)
Mode	Through Video Conferencing / Other Audio Visual means
Book Closure Date	September 15, 2022 to September 21, 2022

The Annual Report including the Notice of AGM for the Financial Year 2021-22 is available and can be downloaded from the Company's website at web link at <http://www.comfortfincap.com/Investorrelation> and the website of National Securities Depository Limited ("NSDL") <https://www.evoting.nsdl.com>.

The e-voting period commences on Sunday, September 18, 2022 at 09:00 A.M. (IST) and ends on Tuesday, September 20, 2022 at 05:00 P.M. (IST). During this period, members holding shares either in physical form or in dematerialised form as on **September 14, 2022**, i.e. cut-off date, may cast their vote electronically.

We request you to kindly take the same on record.

Thanking you,
For Comfort Fincap Limited

Sneha Mandelia
Sneha Mandelia
Company Secretary and Compliance Office



CC:

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

40TH ANNUAL REPORT 2021-22



COMFORT FINCAP LIMITED

Annual Report 2021-2022

BOARD OF DIRECTOR AND KMP'S

Mr. Ankur Agrawal	: Executive Director, Chairperson
Mr. Devendra Lal Thakur	: Additional Director (Non-Executive - Independent Director)
Mr. Milin Ramani	: Non-Executive - Independent Director;
Mrs. Apeksha Kadam	: 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

301, 3rd Floor, A Wing, Hetal Arch,
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
Office No S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093, India.
Tel: 022-62638200
Fax: 022-62638299
Website: www.bigshareonline.com
Email ID: investor@bigshareonline.com

BANKERS

Union Bank of India
IDBI Bank Limited

STATUTORY AUDITORS

M/s. A. R. Sodha & Co., Chartered Accountants

INTERNAL AUDITORS

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

SECRETARIAL AUDITOR

M/s Mitesh J. Shah & Associates, Company Secretaries

CONTENTS	PAGE NOS.
Notice	03
Directors' Report & Annexures	23
Corporate Governance Report	46
Management Discussion & Analysis	67
Standalone Financial Statements	
Independent Auditor's Report	74
Balance Sheet	84
Statement of Profit and Loss	85
Cash Flow Statement	86
Notes on Financial Statements	88
Consolidated Financial Statements	
Independent Auditor's Report	117
Balance Sheet	124
Statement of Profit and Loss	125
Cash Flow Statement	126
Notes on Financial Statements	128

40th Annual General Meeting

Day & Date	Wednesday, September 21, 2022
Time	11:00 A.M.
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING (“AGM / THE MEETING”) OF THE MEMBERS OF COMFORT FINCAP LIMITED “(THE COMPANY)” WILL BE HELD ON WEDNESDAY, SEPTEMBER 21, 2022, AT 11:00 A.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, 2022, 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, 2022 and the Report of the Auditor’s thereon.
2. To appoint a director in place of Mrs. Apeksha Kadam (DIN: 08878724), who retires by rotation and being eligible, offers herself for re-appointment.

3. To re-appoint Statutory Auditors and in this regard, to consider and if thought fit, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139, 141, 142 of the Companies Act, 2013 (“the Act”), read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and other applicable provisions, if any (including any statutory amendments or modifications or reenactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors, M/s. A. R. Sodha & Co., Chartered Accountants (FRN 110324W), be and is hereby re-appointed as Statutory Auditors of the Company to hold office for the second term from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the forty fifth AGM to be held in the year 2027 at such remuneration plus out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

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.”

SPECIAL BUSINESS:

4. To re-appoint Mr. Devendra Lal Thakur (DIN: 00392511), as Non-Executive-Independent Director on the Board.

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

“RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of the Act and Regulation 17 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and such other provisions, regulations, circulars, directions and guidelines as may be applicable (including any statutory modifications or reenactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, respectively, Mr. Devendra Lal Thakur (DIN: 00392511) who was appointed as Additional Director of the Company in the category of Non-Executive-Independent Director for the

second term of five years w.e.f. October 20, 2021 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing him as a candidature for the office of Non-Executive-Independent Director, be and is hereby re-appointed as Non-Executive-Independent Director on the Board of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from October 20, 2021 till October 19, 2026.

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."

5. 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 **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 185, 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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, F.Y. 2021-22 and 2022-23 and onwards in the ordinary course of business and on arm's length basis with related Party/ies and / or with a person in whom any of the director of the Company is interested within the meaning of the Act and SEBI 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	Transaction(s) in the nature of providing of Inter - Corporate loan(s) and / or Inter - corporate deposits / business advance for and / or availing and / or providing guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by entities, for business purpose only and being entities under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to sub-section 2(b) of Section 185 of Companies Act, 2013.										
Material terms of the contract / arrangement	On Arms' length basis.										
Ratification of Monetary value of the contract / arrangement entered into F.Y. 2020-21	-	Rs. 22 Crore	-	-	-	-	-	-	-	Rs. 31 Crore	-
Monetary value of the contract / arrangement for F.Y. 2021-22 and onwards	Rs. 30 Crore	Rs. 40 Crore	Rs. 10 Crore	Rs. 10 Crore	Rs. 10 Crore	Rs. 10 Crore	Rs. 10 Crore	Rs. 10 Crore	Rs. 30 Crore	Rs. 40 Crore	Rs. 20 Crore

The indicative base price or current contracted price and the formula for variation in the price, if any	Prices are basis on arm's length having reference of market price.
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.”

6. To consider and approve waiver of recovery of excess managerial remuneration paid to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson for the financial year ended March 31, 2022.

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

“RESOLVED THAT pursuant to the provisions of sections 197, 198 read with Schedule V of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be required, consent of the members be and is hereby accorded to ratify and approve waiver of recovery of the excess remuneration amounting to Rs. 14,40,310/- (Rupees Fourteen Lakh Forty Thousand Three Hundred and Ten only) paid to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson of the Company for the financial year 2021-22, which is in excess of the limits prescribed under section 197 of the Act 2013 and the limits as approved by the Board and members.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

7. To approve the remuneration payable to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson.

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

“RESOLVED THAT pursuant to the provisions of sections 197, 198 read with Schedule V of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant sub-regulation (6) (e) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approvals as may be required, consent of the members be and is hereby accorded to confirm and pay the remuneration amounting to Rs. 42,00,000/- (Rupees Forty-Two Lakh only) per annum w.e.f. April 01, 2022 to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson of the Company, which is in excess of the limits prescribed under section 197 of the Act.

The remuneration payable to Mr. Ankur Agrawal w.e.f. April 01, 2022 is as detailed below:

- a. Remuneration: Rs. 42,00,000/- (Rupees Forty-Two Lakh only) per annum w.e.f. April 01, 2022 + maximum of 10% to 15% increment every year;
- b. Others:
 1. Conveyance: Actual;
 2. Medical expenses (including Medical Insurance): Actual incurred in India or abroad (including family members) these facilities will not be considered as perquisites;
 3. Mr. Ankur Agrawal will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category;
 4. Whenever Mr. Ankur Agrawal is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner (including for spouse): a) Executive, first class Air Fare / Charter / First Class AC Rail Fare b) Actual expenses to cover stay in hotels and cost of local conveyance;
 5. Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid;
 6. Bonus as per the rules of the Company.

RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year during his tenure as an Executive Director, the Company has no profit or inadequate profit, Mr. Ankur Agrawal shall be entitled to aforesaid remuneration subject to provisions of the limits specified in Part II of the Schedule V of the Companies Act, 2013 or if part II of the Schedule V of the Act are not met then the Company hereby approves the remuneration as decided above.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

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

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

DATE: AUGUST 02, 2022

PLACE: MUMBAI

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business to be transacted at the ensuing AGM under item nos. 4, 5, 6 and 7 is considered to be unavoidable by the Board and hence, is annexed hereto. Further, details in respect of re-appointment of statutory auditors as per requirement of regulation 36(5) of the SEBI Listing Regulations under item no. 3 are also annexed. The term Member(s) or Shareholder(s) are used interchangeably in this notice.
 2. Further, a brief resume of each of the Director proposed to be appointed/ re-appointed at this AGM, nature of their expertise in specific functional areas, names of Companies in which they hold the Directorship and Membership/ Chairpersonship of Board and Committees, Shareholding and relationship between directors inter-se as stipulated under Regulation 36(3) of 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 08th April, 2020, and 13th April, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022, dated 05th May, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)-reg." (collectively referred to as 'MCA Circulars') permitted the Companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31st December, 2022 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for year 2022 and considering the above MCA Circulars, Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" ('SEBI Circular') provided relaxation upto 31st December, 2022, from Regulation 36(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('Act') to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, 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. In case of joint holders attending the meeting through VC / OAVM, only such joint holder whose name appears as the first holder in the order of names will be entitled to vote.
 5. 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.
 6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote thereat.
 7. Institutional / Corporate Members (i.e. other than Individuals/HUF/NRI, etc.) are required to send the scanned copy of the Board Resolution (PDF /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.
- Book Closure: The Register of Members and Share Transfer Books of the Company shall remain closed from September 15, 2022 till September 21, 2022 for the purpose of the AGM.
8. Transfer of Unclaimed Dividend Amount and Shares to the Investor Education and Protection fund ("IEPF") Authority:

Pursuant to the Section 124 and other 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 unclaimed and unpaid dividend of the Financial Year 2014-15 from its Unpaid Dividend Account to Investor Education and Protection Fund (hereinafter referred to as "IEPF"). Further all the shares in respect of which dividend remaining unpaid shall also be transferred IEPF Authority. The Company has published a newspaper advertisement and has sent individual correspondence to the shareholders whose dividend are lying unpaid and unclaimed for 7 years from the date of transfer to Unpaid Dividend Account of the Company and whose shares are due for transfer to IEPF Authority and the same is made available on website of Company at <http://www.comfortfincap.com/Investorrelation>.

The shareholders are once again requested to claim their un-paid/unclaimed dividend to avoid the transfer to IEPF Authority.

Members who have not yet en-cashed their Final Dividends from Financial Year 2014-15 and 2015-16 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The members / claimants whose shares and / or, unclaimed dividend, etc., have been transferred to IEPF Authority may claim the shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. It is in the member's interest to claim any un-encashed 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.

9. Members holding shares in physical mode are requested to intimate changes, if any, pertaining to their postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), specimen signature, bank details such as name of the bank and branch details, bank account number, etc to the Company's Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The said forms can be downloaded from the Company's website: <http://www.comfortfincap.com/Investorrelation>. The Company has sent letters to members holding shares in physical mode for furnishing the required details.
10. As per the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website: <http://www.comfortfincap.com/Investorrelation>.

Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialised form and to the Company's Registrar and Transfer Agent in case the shares are held in physical form.

11. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details and nomination. Further all members holding shares in physical mode are required to compulsory link their PAN Card and Aadhaar Card. The folios wherein any one of the said document/ details are not updated and/or PAN Card and Aadhaar Card are not linked on or after April 01, 2023 shall be frozen by the RTA.

12. Pursuant to SEBI Notification No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, Company shall issue securities in dematerialise form only while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, format of which is available on the Company's website at: <http://www.comfortfincap.com/Investorrelation>. Further, members holding shares in physical form are requested to take action to dematerialise the Equity Shares, promptly to avoid inconvenience in future.
13. In compliance with the aforesaid MCA circulars and SEBI circular Notice of the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Furthermore, the hard copy of the Annual Report including Notice of AGM for Financial Year 2021-22 has not been sent to any member, unless any member has requested for the same. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website i.e. <http://www.comfortfincap.com/Investorrelation>, websites of the stock exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL i.e. www.evoting.nsdl.com (agency for providing the Remote e-Voting facility).
14. 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 Private Limited, Registrar and Share Transfer Agent (RTA) of the Company, for sending various Notices, Dividend intimation and other documents through E-mail, in case they have not registered the same. Those members who have changed their E-mail ID/ Addresses are requested to update their new E-mail ID / Addresses with RTA, in case the shares are held in physical form and with the Depository Participants where shares are held in demat mode, in case they have not already updated the same.
15. 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.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, 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. All the relevant documents referred to in the accompanying Notice are made available for inspection by members at the Corporate Office of the Company on all working days (From Monday to Friday) during the business hours up to the date of AGM.
17. The Members, desiring any information pertaining to the accounts or business to be transacted at the AGM, are requested to write to the Company at the Corporate Office of the Company, situated at A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai-400064 or send an email to info@comfortfincap.com, mentioning their name, DP ID, Client ID number/folio number and mobile number on or before 5:00 P.M. IST, Thursday, September 15, 2022, to enable us to keep the requisite information ready.
18. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th 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 or actually exercising significant influence or control over the Company. If any members holding shares in the Company on behalf of other or fulfilling the criteria specified under Section 90 of Act read with relevant rules, SBO 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.

19. Since the AGM will be held through VC, the Route Map is not annexed to this Notice.

20. Process and Manner of E-voting:

- 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, since AGM is being held through VC / OAVM. Hence, Proxy Form is not annexed to this Notice. 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 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 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 Chairperson 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 Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and Regulation 44 of SEBI Listing Regulations (as amended from time to time), and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/ 2020/242 dated December 09, 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. The instructions for e-voting are given herein below.
- Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the period commencing from September 18, 2022 at 9:00 A.M. IST to September 20, 2022 at 5:00 P.M. IST or e-voting during the AGM. If a Member casts vote(s) by both modes, the voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as "INVALID". Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- AGM has been convened through V.C/OAVM in compliance with applicable provisions of the Act read with Ministry of Corporate Affairs Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 2/2021 dated January 13, 2021, Circular No.19/2021 dated 08th December, 2021, Circular No.21/2021 dated 14th December, 2021 and Circular No.02/2022 dated 05th May 2022.

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

The remote e-voting period begins on September 18, 2022 at 9:00 A.M. (IST) and ends on September 20, 2022 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 14, 2022, 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.

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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 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. 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 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div>   </div> <div>   </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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.
- 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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, 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:
- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address 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. Corporate/ Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ramavenigalla@gmail.com with a copy marked to evoting@nsdl.co.in. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at 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
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. If you are an Individual shareholder 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.**
3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. 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 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 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 info@comfortfincap.com, mentioning their name, DP ID, Client ID number/folio number and mobile number on or before 5:00 P.M. (IST), Thursday, September 15, 2022, to enable us to keep the requisite information ready.

22. SCRUTINIZER'S REPORT AND DECLARATION OF RESULTS:

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and cast during the AGM and shall make and submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing, who shall countersign the same. The Resolutions shall be deemed to be passed on the date of the AGM i.e. Wednesday, 21st September, 2022, subject to receipt of the requisite number of votes in favour of the Resolutions. The Results shall be declared within two working days of the conclusion of the AGM.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.comfortfincap.com/Investorrelation> and on the website of NSDL <https://www.evoting.nsdl.com> immediately and shall also simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

Additional information on Directors recommended for Appointment/ Re-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 for Item No. 2, 4 & 7: -

Particulars	Mrs. Apeksha Kadam	Mr. Devendra Lal Thakur	Mr. Ankur Agrawal
DIN	08878724	00392511	06408167
Date of Birth	28/02/1982	28/05/1960	23/11/1990
Age (in years)	40 years	62 years	31 Years
Date of First Appointment	February 12, 2021	November 24, 2015	June 29, 2019
Nature of Appointment	Re-appointment (pursuant to retirement by rotation)	Re-appointment as an Independent Director for a second term	-
Nationality	Indian	Indian	Indian
Brief Profile	Mrs. Apeksha Kadam has been associated with the Company for about a decade and a half. She was then appointed as a director on Board of various companies of Comfort Group from February, 2021. As a Director of the Company, she contributes towards the Management and Business Administration and accordingly, brings in value addition to the Company. Her continuous association has driven success and development of the Company.	Mr. Devendra Lal Thakur is a qualified Chartered Accountant by profession. He contributes on the financial aspect and brings value addition to the Company. He was appointed as director and was closely involved in management of financial affairs of many listed and unlisted companies. He is associated as an Independent Directors on Board of various companies of Comfort Group since November, 2015 and been an instrumental in building growth of Comfort Group.	Mr. Ankur Agrawal is a qualified Chartered Accountant by profession. As a young enthusiast he brings dynamism & exuberance in the functioning of the Company. He is responsible for day-to-day business & affairs of the company. He has always played a leading role in businesses for growth over the short, medium and long-term and accordingly, brings in value addition to the Company.

Particulars	Mrs. Apeksha Kadam	Mr. Devendra Lal Thakur	Mr. Ankur Agrawal
Qualification	Mrs. Apeksha Kadam has completed Master of Business Administration from National Institute of Management (NIM).	Mr. Devendra Lal Thakur is a fellow member of Institute of Chartered Accountants of India.	Mr. Ankur Agrawal is a fellow member of ICAI and CFA. He also holds a degree of family MBA from Indian School of Business.
Expertise in specific Functional Area	She has sound experience in the field of Management & Strategy, Human Resource Management and Business Administration	He has more than 3 decades of experience in the field of Commerce, Finance, Audit and Accounts.	He has more than 10 years of post-qualification work experience in the field of Commerce, Finance, Audit and Accounts.
Skill and capabilities for role of Independent Director and manner in which proposed director meet the same	-	Kindly refer item no. 3 of the Explanatory Statement of this Notice.	-
Directorships held in other public companies (excluding private companies, foreign companies and Section 8 companies)	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Comfort Securities Limited 4. Comfort Intech Limited	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Comfort Intech Limited	1. Luharuka Media & Infra Limited 2. Comfort Commotrade Limited 3. Liquors India Limited 4. Flora Fountain Properties Limited 5. Comfort Intech Limited
Directorship in Listed Entity from which he/she resigned in past three years	Nil	Nil	Nil
Shareholding in the Company including shareholding as a beneficial owner	Nil	Nil	Nil
Memberships/Chairpersonships of Committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	1. Luharuka Media & Infra Limited - -Stakeholders Relationship Committee- Chairperson	1. Comfort Commotrade Limited -Audit Committee- Chairperson -Stakeholder Relationship Committee- Member	1. Comfort Commotrade Limited -Audit Committee- Member -Stakeholder Relationship Committee- Chairperson
		2. Comfort Intech Limited -Audit Committee- Chairperson -Stakeholder Relationship Committee- Member	2. Comfort Intech Limited -Audit Committee- Member -Stakeholder Relationship Committee- Member
		3. Luharuka Media & Infra Limited -Audit Committee- Chairperson -Stakeholder Relationship Committee- Member	3. Luharuka Media & Infra Limited -Audit Committee- Member -Stakeholder Relationship Committee- Member
No. of Board Meeting attended during the year of the Company	Attended all Board Meetings during the Financial Year 2021-22.	Attended all Board Meetings during the Financial Year 2021-22.	Attended all Board Meetings during the Financial Year 2021-22.
Disclosure of relationship between Directors/ KMP inter-se	None	None	None
Key Terms and Conditions of the appointment	-	As per the Resolution at Item no. 4 of this Notice read with the explanatory statement thereto	-
Remuneration last drawn	Only sitting fees for the Meeting attended was paid.	Only sitting fees for the Meeting attended was paid.	Rs. 33,00,000/- (Rupees Thirty-Three Lakh only) for the financial year 2021-22.

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Particulars	Mrs. Apeksha Kadam	Mr. Devendra Lal Thakur	Mr. Ankur Agrawal
Remuneration sought to be paid	Since the Director is a Non-Executive Director of the Company, only sitting fees and the commission, if any, be payable to her.	Since the Director is a Non-Executive- Independent Director of the Company, only sitting fees and the commission, if any, be payable to him.	As mentioned in the resolution at item no. 7 of this Notice.

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

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

**DATE: AUGUST 02, 2022
PLACE: MUMBAI**

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY BUSINESS PURSUANT TO REGULATION 36 (5) OF SEBI LISTING REGULATIONS

ITEM NO. 3

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.

Accordingly, the term of M/s. A. R. Sodha & Co, Chartered Accountants as Statutory Auditors expires at ensuing AGM and being eligible for re-appointment, pursuant to the provisions of sections 139 and 141 of the Act, the Board of Directors based on the recommendation of the Audit Committee has approved the re-appointment of M/s. A. R. Sodha & Co, Chartered Accountants as Statutory Auditors for second term of 5 consecutive years from conclusion of ensuing AGM till the conclusion of the 45th AGM. The Board of Directors based on the recommendation of the Audit Committee shall determine the remuneration payable to the Statutory Auditors.

Further M/s. A. R. Sodha & Co., Chartered Accountants, have given a confirmation and consent under sections 139 and 141 of Act read with the Companies (Audit and Auditors) Rules, 2014 to the effect that they are eligible and are not been disqualified in any manner from being re-appointed as Statutory Auditors.

Disclosure pursuant to Regulation 36 (5) of the SEBI Listing Regulations are as follows

Name of the Auditor	M/s. A. R. Sodha & Co, Chartered Accountants
Terms of Appointment	For the term of five Financial Years from the conclusion of ensuing Annual General Meeting until the conclusion of 45 th Annual General Meeting.
Proposed Fees payable and material change in the fee payable	The proposed fees to be paid to M/s. A. R. Sodha & Co., shall be Rs. 3,00,000/- (Rupees Three Lakh only) plus re-imbursement of out of pocket expenses
Basis of recommendation for appointment	On the recommendation of the Audit Committee, the Board has considered the re-appointment of M/s. A. R. Sodha & Co, Chartered Accountants as statutory Auditors of the Company for the second term.
Brief Credentials of the Auditors	M/s A. R. Sodha & Co. Chartered Accountants, specialized in providing high Professional services across broad spectrum ranging from assurance, tax, transaction and advisory as well as broad range of experience and network to offer services that provide end to end solution in Direct Tax Litigation, Corporate Finance, Risk Advisory, Direct Tax Litigation, and Assurance

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the Resolution set out above.

The Board recommends the ordinary resolution for re-appointment of M/s. A. R. Sodha & Co, Chartered Accountants as Statutory Auditors for the second term for 5 consecutive years.

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

ITEM NO. 4

Mr. Devendra Lal Thakur was appointed as an Independent Director of the Company for a period of five consecutive years. Pursuant to the provisions of section 161 of the Act read with applicable rules made there under, SEBI Listing Regulations and based on the recommendation of the Nomination and Remuneration Committee, the Board had re-appointed Mr. Devendra Lal Thakur (DIN: 00392511) as Additional Director in the category of Non-Executive Independent Director, for the second term of five years w.e.f. October 20, 2021, subject to the approval of members.

The copy of letter of appointment setting out the terms and conditions of his appointment is made available on website of Company at <http://www.comfortfincap.com/Investorrelation>.

Nomination and Remuneration Committee, inter alia, have identified experience in Financial Services, Leadership capabilities, Expertise in Governance, Risk Management, Strategic Investments, and Business Transformation & Strategy as the skills and capabilities required for the role as Independent Director. Considering the profile, experience and performance evaluation report of Mr. Devendra Lal Thakur, the Nomination and Remuneration Committee and the Board is of the view that he meets all the above required skills and capabilities and that his continued association would be beneficial to the Company.

The Company has received from him all statutory disclosures / declarations that he is not disqualified from being appointed as a director in terms of section 164 of the Act and that he meets the criteria of independence as prescribed, under section 149(6) of the Act and Regulation 16 (1)(b) of SEBI Listing Regulations. Further, the Company has received notice in writing under the provisions of section 160 of the Act from member proposing the candidature of Mr. Devendra Lal Thakur as Non-Executive Independent Director of the Company.

A brief profile of Mr. Devendra Lal Thakur to be appointed as Non- Executive-Independent Director is given in the table appearing before the explanatory statement. Except Mr. Devendra Lal Thakur, being the appointee, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the Resolution set out above.

The Board recommends the special resolution for re-appointment of Mr. Devendra Lal Thakur as Non- Executive Independent Director for the second term, not liable to retire by rotation.

ITEM NO. 5

Your Company generally enters into transaction with related parties as prescribed in the table of resolution mentioned in item no. 5 in ordinary course of business and at arm's length basis, which falls in the definition of "Related Parties" under the Act and/or SEBI 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 SEBI 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 one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

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.

Furthermore, pursuant to the provisions of section 185 of the Act, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person

in whom any of the director of the company is interested, subject to the condition that a special resolution is passed by the company in general meeting.

Information required to be given in the explanatory statement pursuant to the Act and Rule 15 of the Rules forms part of the resolution. Further, the details required as per SEBI Listing Regulations are as follows:

Sr. No.	Particulars	Information
1.	Justification for why the proposed transaction is in the interest of the listed entity	Considering the business activity, the Company has to provide loans / advances to parties including its related parties for enriching business operations more profitably
2.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
i.	details of the source of funds in connection with the proposed transaction where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness cost of funds and tenure, applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	The Loans / advances given/to be given by the Company are from Company's own funds. Further, the loans / advances are given/to be given for the business purpose of recipient on the terms and conditions as considered by the Board and Audit Committee in the best interest of the Company.

Shareholders' approval by way of a special resolution is therefore sought for the resolution set out in this Notice in terms of sections 185,188 of the Act and Regulation 23 of the SEBI Listing Regulations.

Except Mr. Ankur Agrawal, Mrs. Apeksha Kadam 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. 5 for the approval of the Shareholders.

ITEM NO. 6

Mr. Ankur Agrawal, was appointed as an Executive Director and Chairperson of the Company. The remuneration paid to Mr. Ankur Agrawal for the financial year 2021-22 exceeded the limits specified under Section 197 of the Act read with Schedule V thereto. Pursuant to section 197(10) of the Act, the Company can waive the recovery of excess remuneration paid to him by passing a special resolution within two years from the date the sum becomes refundable.

The management of the Company believes that the remuneration paid to Mr. Ankur Agrawal is justified in terms of his key role within the Company. Further, the Nomination and Remuneration Committee and the Board have at their respective meeting(s) held on April 29, 2022, subject to the approval of the members of the Company, accorded its approval for waiver of the recovery of excess managerial remuneration paid to Mr. Ankur Agrawal.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Except Mr. Ankur Agrawal and his relatives to the extent of their shareholding interest, none of the other Directors / Key Managerial Personnel's and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in item no. 6.

The Board recommends the special resolution set forth in item no. 6 for the approval of the members.

ITEM NO. 7

Mr. Ankur Agrawal was appointed as Executive Director and Chairperson of the Company. Further, the members had authorised the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time of Mr. Ankur Agrawal, but such remuneration payable shall be within the limits specified in the section 197 and other applicable provisions of the Act.

The Company is growing and performing well under the leadership of Mr. Ankur Agrawal and based on the recommendation of the Nomination and Remuneration Committee, the Board has considered and approved the payment of remuneration to Mr. Ankur Agrawal w.e.f. April 01, 2022 as set out in the resolution.

As per section 197 and other applicable provisions of the Act, the remuneration payable to directors who are neither managing Directors nor whole-time Directors shall not exceed 3% of the net profits of the Company. However, the Company in general meeting may authorise the payment of remuneration exceeding said limit, subject to the provisions of Schedule V of the Act. Accordingly, the Board recommends the resolution set forth in item no 7 in excess of the limit specified under section 197 of the Act by way of special resolution.

Except Mr. Ankur Agrawal and his relatives to the extent of their shareholding, none of the other Directors / Key Managerial Personnel's and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no 7.

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

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

**DATE: AUGUST 02, 2022
PLACE: MUMBAI**

DIRECTORS' REPORT

To the Members of the Company,

Your directors have pleasure in presenting the 40th (Fortieth) 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, 2022.

1) FINANCIAL HIGHLIGHTS:

The summary of Audited Consolidated and Standalone Financial performance of the Company, for the Financial Year ended March 31, 2022 is summarized as under:

(Rs. in Lakh, Except EPS)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations	1,242.97	1,112.77	1,242.97	1,112.77
Other operating Income	7.24	1.01	7.24	1.01
Total Revenue	1,250.21	1,113.78	1,250.21	1,113.78
Total Expenditure	630.31	555.79	630.31	555.79
Profit before Tax	619.90	558.00	619.90	558.00
Current Tax Expenses	146.51	179.96	146.51	179.96
Deferred Tax	14.08	(35.36)	14.08	(35.36)
Tax of earlier years	16.86	(4.61)	16.86	(4.61)
Profit for the Year	442.44	418.00	442.40	418.01
Earnings Per Share (EPS) (Basic & Diluted)	4.08	3.85	4.08	3.85

2) FINANCIAL PERFORMANCE

The Consolidated and Standalone Financial Statements of the Company for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards (IND-AS), as per the relevant provisions of sections 129 and 133 of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), which have been reviewed by the Statutory Auditors.

During the year under review, your Company's total revenue from operations on consolidated basis increased to Rs. 1,242.97 lakh as compared to Rs. 1,112.77 lakh in the previous Financial Year. The Net profit increased to Rs. 442.40 lakh as compared to Rs. 418.01 lakh in the previous Financial Year.

During the year under review, your Company's total revenue from operations on standalone basis increased to Rs. 1,242.97 lakh as compared to Rs. 1,112.77 lakh in the previous Financial Year. The Net profit increased to Rs. 442.44 lakh as compared to Rs. 418.00 lakh in the previous Financial Year.

In accordance with the provisions contained in section 136 of the Act and Regulation 34 of SEBI Listing Regulations, the Annual Report of the Company, containing Notice of the Annual General Meeting ("AGM"), Consolidated and Standalone Financial Statements, Consolidated and Standalone Cash Flow Statement, Report of the Auditor's, Directors' Report, Corporate Governance Report thereon are available on the website of the Company at 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 2021-22 and in order to conserve cash resources to face the future challenges, the Board of Directors have not recommended any dividend on equity shares for the year ended on March 31, 2022.

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

Pursuant to the section 124 and other 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 unclaimed and unpaid dividend of the Financial Year 2014-15 from its Unpaid Dividend Account to Investor Education and Protection Fund (hereinafter referred to as "IEPF") after October 01, 2022 Further, all the shares in respect of which dividend remaining unpaid/unclaimed shall also be transferred to IEPF Authority.

Members who have not yet en-cashed their Final Dividends from Financial Year 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.

Members whose dividend/shares are transferred to IEPF may claim the same by making application to IEPF Authority in e-Form IEPF-5 as detailed on the website of the Ministry of Corporate Affairs at the web- link: <http://www.iepf.gov.in/IEPF/refund.html>.

5) SHARE CAPITAL

During the year under review, there has been no change in share capital of the Company. The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2022 was Rs. 10,85,13,000/- (Rupees Ten Crore Eighty-Five Lakh 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 Financial Year.

6) TRANSFER TO RESERVES

There was no amount, which was transferred to reserves during the year under review. The closing balance of the retained earnings of the Company for Financial Year 2021-2022, after all appropriation and adjustments was Rs. 3,431.81 lakh.

7) LISTING WITH THE STOCK EXCHANGE(S)

Your Company's equity shares are listed on the BSE Limited and Calcutta Stock Exchange Limited. Accordingly, the Annual listing fees for the Financial Year 2021-22 and 2022-23 has been paid to both the Stock Exchanges. Further, the Listing status of the Company is suspended on the website of Calcutta Stock Exchange Limited and the Company is continuously following up for the same and waiting for their reply in this regard.

8) SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has one Associate Company namely, Lemonade Shares & Securities Private Limited and has no other subsidiaries or joint venture within the meaning of Section 2(87) or 2(6) of the Act as on March 31, 2022. During the year, there has been no material change in the nature of the business of the Associate Company and no Company became or ceased to be subsidiary, associate company or joint venture.

Further, the report on the performance, financial position and overall contribution to company's profitability of the Associate 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 Act, 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

There were no material changes and commitments affecting the financial position of the Company between end of the financial year and the date of this report. It is hereby confirmed that there has been no other change in the nature of business of the Company.

11) CORPORATE GOVERNANCE

Company has consciously adhered to the best standards of governance long before they were legally mandated. The Company has devised proper systems to ensure compliance with all the applicable provisions and that such systems are adequate and operating effectively. Pursuant to Regulation 34(3) read with Schedule V(E) of the SEBI Listing Regulations, a separate section on Corporate Governance practices followed by the 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 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, 2022:

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

a. Change in Directors:

(1) Cessation/ Resignation:

During the year under review, there was no instance of Cessation/Resignation by any of the Director of Company.

(2) Appointment/Re-appointment:**➤ Re-appointment of Mr. Devendra Lal Thakur as a Non-Executive - Independent Director**

Pursuant to provisions of the Act and SEBI Listing Regulations and on the basis of recommendation of the Nomination & Remuneration Committee, the Board has re-appointed Mr. Devendra Lal Thakur (DIN: 00392511) as an Additional Director in the category of Non-Executive Independent Director for the second term of five years w.e.f. October 20, 2021, subject to the approval of members, at ensuing 40th Annual General Meeting. In the opinion of Board, Mr. Devendra Lal Thakur is a person of integrity and possesses relevant expertise and experience. The Company has also received requisite declarations from him. Brief profile of Mr. Devendra Lal Thakur as required under Regulation 36 (3) of the SEBI Listing Regulations read with SS-2 on General Meetings is provided separately by way of an Annexure to the Notice of the ensuing 40th AGM which forms part of this Annual Report. The Board recommends the re appointment of Mr. Thakur as Non - Executive Independent Directors for the second term at ensuing AGM.

➤ Appointment of Mrs. Apeksha Kadam as Non-Executive Non-Independent Director

Pursuant to Section 149, 152 and other applicable provisions, if any, of the Act, Regulation 17 of SEBI Listing Regulations and based on recommendation of the Nomination and Remuneration Committee and Board of Directors, respectively, Mrs. Apeksha Kadam (DIN: 08878724) who was appointed as an Additional Directors on the Board with effect from February 12, 2021, at 39th AGM held on September 08, 2021 was regularized as Non-Executive Non-Independent Director.

(3) Director liable to retire by rotation:

Pursuant to provisions of Section 152(6) of the Act, Mrs. Apeksha Kadam, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers herself for re-appointment. The Nomination and Remuneration Committee and Board have recommended re-appointment of Mrs. Apeksha Kadam. Brief profile of Mrs. Apeksha Kadam as required under Regulation 36 (3) of the SEBI Listing Regulations read with SS-2 on General Meetings is provided separately by way of an Annexure to the Notice of the ensuing 40th AGM which forms part of this Annual Report.

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

None of the Directors are disqualified for being appointed as the Director of the Company in terms of Section 164 of the Act. Further, the Company has received the necessary declarations from the Independent Directors under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, that they meet the criteria of Independence laid down in section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, all the independent directors are registered with data bank maintained by 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/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

The Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise, hold highest standards of integrity and are Independent of the Management of the Company. The terms and conditions of appointment of Independent Directors are available on the website of the Company at <http://www.comfortfincap.com/Investorrelation>.

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

Following were the Key Managerial Personnel's as on March 31, 2022 pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

There were no changes in Key Managerial Personnel during the year under review.

III. Director's Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance with the aim to improve the effectiveness of the Chairperson, the Board, their committees and individual director.

The Company has formulated a Policy for performance evaluation of the Independent Directors, the Board, their committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors based on the recommendation of the Nomination & Remuneration Committee and Guidance Note on Board Evaluation issued by the SEBI.

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.

Further, pursuant to Regulation 17 (10) of the SEBI Listing Regulations the performance evaluation of the Independent Directors was carried out by the entire Board, in their meeting held on January 24, 2022, excluding the independent director being evaluated.

In a separate meeting of Independent Directors held on January 24, 2022, the performance evaluation of the Board as whole, Chairperson of the Company and the Non-Independent Directors was evaluated and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The performance evaluation of the Chairperson of the Company was carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

The Independent Directors expressed their satisfaction with the evaluation process and flow of information between the Company management and the Board.

Pursuant to Regulation 17(4) of the SEBI Listing Regulations and as a part of the career planning of the core team of employees and for smooth succession planning, the Board of Directors at its meeting held on April 29, 2022, have approved & implemented Succession Policy.

Policy for performance evaluation and Succession Planning are available on the website of the Company at <http://www.comfortfincap.com/Investorrelation>.

IV. Familiarization program for Independent Director(s):

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a system to familiarize its Independent Directors. The familiarization program aims to provide the Independent Directors their roles, responsibilities in the Company, nature of the industry, business model, processes, policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company, significant development so as to enable them to take well informed decisions in timely manner. During the Financial Year 2021-22, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations, duties and responsibilities of Independent Directors under the Companies Act, 2013 and SEBI Listing Regulations. The Company conducted 1 program during the Financial Year 2021-22 and the time spent by Independent Directors was in the range of 2 hours. The cumulative programs / meetings conducted till date were 6 and the time spent by Independent Directors was in the range of 10 hours. The policy on Company's familiarization program for independent directors is hosted on the Company's website at <http://www.comfortfincap.com/Investorrelation>.

V. Meeting of the Board and its Committees:

The Board has established following three Committees in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

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

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees and minutes of meeting of committee are placed before the Board for information and/or for approval, as required. During the year under review, all recommendations received from its committees were accepted by the Board.

During the Financial Year 2021-22, 4 (Four) Board meetings were held. The details of the Board and its Committees along with their composition, meetings held during the year are given under Corporate Governance Report forming part of this Annual Report.

13) AUDITORS**a. STATUTORY AUDITOR**

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

Based on the recommendation of the Audit Committee, the Board in their meeting held on January 24, 2022 has considered the re-appointment of M/s. A. R. Sodha & Co., Chartered Accountants (FRN 110324W) as the statutory auditor of the Company, for a second term of 5 consecutive years, from the conclusion of the 40th AGM till the conclusion of the 45th AGM to be held in the year 2027, subject to the approval of shareholders of the Company in the ensuing 40th AGM. The remuneration payable to the Statutory Auditor shall be determined by the Board based on the recommendation of the Audit Committee.

M/s. A. R. Sodha & Co., Chartered Accountants (FRN 110324W) has confirmed their eligibility and independence criteria and gave consent under Sections 139 of the Act, read with Companies (Audit and Auditors) Rules, 2014 for their said re-appointment as the Statutory Auditor of the Company. In terms of the SEBI Listing Regulations, the Statutory Auditor has also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. Further, the report of the Statutory Auditor along with the notes is enclosed with the Financial Statements.

The Statutory Auditor has issued modified opinion on the Financial Statements for the Financial Year ended March 31, 2022 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 Statutory Auditor of the Company has not reported any fraud as specified under Section 143(12) of the Act.

Further, the Statutory Auditor was present at the last AGM.

b. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act, 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 2021-22 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 2021-22 is annexed as **Annexure 2** to this report. The report is self-explanatory and contains one qualification, reservation and adverse remarks for the Financial Year ended March 31, 2022 as mentioned below:

The Company is suspended on Calcutta Stock Exchange.

Management's Explanation:

The Company is in process of removal of suspension on Calcutta Stock Exchange.

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 Financial Year ended March 31, 2022, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations/circulars/ guidelines issued there under and the copy of the same has been submitted with the Stock Exchange(s) within the prescribed time.

Further, the Secretarial Auditor was present at the last AGM.

c. INTERNAL AUDITOR

M/s. ASHP & Co., Practicing Chartered Accountants, Mumbai performed the duties of internal auditors of the Company for the Financial Year 2021-22 and their report is reviewed by the Audit committee from time to time.

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 Act, 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 in compliance with the provisions of Section 178 of the Act and Regulation 19 of SEBI Listing Regulations and as approved by the Nomination and Remuneration Committee and the Board. The policy is available at the website of the Company at web link: <http://www.comfortfincap.com/Investorrelation>. The purpose of the Remuneration Policy is to establish and govern the procedure applicable:

- To evaluate the performance of the members of the Board.
- To ensure remuneration payable to Directors KMP & other senior Management strike appropriate balance and commensurate among others with the functioning of the Company and its long-term objectives.
- To retain motivate and promote talent within the Company and to ensure long term sustainability of the managerial persons and create a 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 including policies and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information, Code for Fair Disclosure and Code of Conduct to regulate, monitor and report trading in securities by the Directors, designated persons and immediate relatives of designated persons of the Company in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Insider Trading Regulations').

Pursuant to above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of Insider Trading Regulations. The transactions by designated persons above threshold approved by Board is subject to preclearance by compliance officer. Company Secretary has been appointed as the Compliance Officer for purpose of Insider Trading Regulations.

Designated persons have made annual disclosure to Company as per requirements of Insider Trading Regulations and Company's Code of Conduct.

The Code is available on website of the Company at web 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 reviewed and approved by the Audit Committee and Board of Directors respectively. The RPT policy provides for identification of related party and related party transactions, materiality of related party transactions, necessary approvals by the Audit Committee/Board of Directors/ Shareholders of related party transactions and subsequent material modification thereof, reporting and disclosure requirements in compliance with the Act and the SEBI Listing Regulations.

During the year under review, all related party transactions entered into are into at an arm's length basis and in the ordinary course of business. Prior omnibus approval of the Audit Committee is obtained for Related Party Transactions which are of a repetitive nature and entered into in the ordinary course of business and at arm's length. All related party

transactions are placed before the Audit Committee for review and approval of the Committee and to the Board for approval on quarterly basis.

Further, details of the material related party transactions under Section 188 (1) of the Act, 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. Details on the Related Party Transactions are provided in the accompanying Financial Statements which form part of this Annual Report.

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.

The said RPT policy and Report has been uploaded on the website of the Company and can be accessed at the following link: <http://www.comfortfinicap.com/Investorrelation>.

17) WHISTLE BLOWER POLICY / VIGIL MECHANISM

In Compliance with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulation, the Company has adopted a Whistle Blower Policy. The Audit Committee oversees the functioning of this 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 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 Chairperson of the Audit Committee of the Company for redressal. Details of the Vigil Mechanism and Whistleblower policy are covered in the Corporate Governance Report, which forms part of this Annual Report and are made available on the Company's website at <http://www.comfortfinicap.com/Investorrelation>.

During the Financial Year 2021-22, 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 a Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) in accordance with the requirements of the said Act.

Details with respect to number of complaints received pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows –

Particulars	Number
Number of complaints pending as on the beginning of the Financial Year 2021-22	0
Number of complaints filed during of the Financial Year 2021-22	0
Number of complaints disposed of during of the Financial Year 2021-22	0
Number of complaints pending as on the end of the Financial Year 2021-22	0

19) ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company for Financial Year 2021-22 is available on Company's website at <http://www.comfortfincap.com/Investorrelation>.

20) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, 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, 2022, 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 operating effectively;
- vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system are 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 2021-22.

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

Your Company had 8 employees as on March 31, 2022. The statement containing particulars of employees as required under Section 197(12) of the Act, 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 Act 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 Board has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems, work performed by the Internal, Statutory and Secretarial Auditors and external consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the Financial Year under review. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

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

The operations of your Company are not energy intensive and hence, disclosed pursuant to provision of Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable. However, 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.

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 31 March, 2022	Year Ended 31 March, 2021
Foreign Exchange Used	-	-
Foreign Exchange Earned	-	-

25) CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Corporate Social Responsibility ("CSR") initiatives and activities are aligned to the requirements of Section 135 of the Act and Rules made thereunder. Pursuant to provisions of 135(5) of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and MCA General Circular No. 14 /2021 dated August 25, 2021, during the Financial Year under review, the Company is required to spend at least two per cent of its average net profits made during the three immediately preceding Financial Years towards CSR.

Further, pursuant to provisions of Section 135(9) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and MCA General Circular No. 14 /2021 dated August 25, 2021, where the amount required to be spent by a Company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the Company. The amount required to be spent by the Company on CSR during the F.Y. 2021-22 does not exceed fifty lakh rupees and accordingly all the functions of CSR committee are discharged and approved by the Board of Directors of the Company.

During the Financial Year 2021-22, the Company has identified rural development projects as the focused area for its CSR activity(ies). The Company has also in place a CSR Policy as approved by the Board and the same is available on the Company's website: <http://www.comfortfincap.com/Investorrelation>.

Further, Chief Financial Officer has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board for Financial Year 2021-22. The Annual Report on CSR Activities is annexed to this report as **Annexure 4**.

26) BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Act and Regulation 4 (2) (f) of SEBI Listing Regulations, the Company has put in place comprehensive Risk Management Policy which inter alia, includes identification of elements of those risks which in the opinion of the Board may threaten the existence of the Company. Further, the Company has adequate risk management mechanism and same is periodically reviewed by the Audit Committee and 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 has been disclosed in the Management Discussion and Analysis Report, which is a part of this annual report.

27) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of Loans, Guarantee and Investments covered under Section 186 of the Act forms part of the notes to the financial statements provided in this Annual Report.

28) CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have certified to the Board about compliance by the Company in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations for the Financial Year ended March 31, 2022 and the same forms part of this Annual Report.

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

During the Financial Year 2021-22, 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 future.

30) SECRETARIAL STANDARDS

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

31) GENERAL DISCLOSURE

- There has been no change in the nature of business of the Company;
- There was no revision in the financial statements;
- During the year, your Company has not issued any sweat equity shares. Therefore, no disclosures as required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014;
- The Company does not have any equity shares with differential rights;
- The Company has not issued any equity shares under section 62(1)(b) of the Act, 2013 to its employees;
- During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.
- The Company has not failed to implement any corporate action during the year under review;
- The Company has not made any application during the year under Insolvency and Bankruptcy Code, 2016 and there is no proceeding pending under the said Code as at the end of the Financial Year;
- During the year, the Company has not undergone any one-time settlement and therefore the disclosure in this regard is not applicable.

32) ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, Bankers, Financial Institutions, Stock Exchange, 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
CHAIRPERSON & DIRECTOR
DIN: 06408167**

**DATE : August 02, 2022
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 and the details of the said company is mentioned here in below:

Name of Associates or Joint Ventures	Lemonade Shares and Securities Private Limited
1. Latest audited Balance Sheet Date	March 31, 2022
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. 4,67,42,765/-
7. Profit or Loss for the year	
i. Considered in Consolidation	(Rs. 3,859/-)
ii. Not Considered in Consolidation	(Rs. 4,384/-)

BY ORDER OF THE BOARD OF DIRECTORS OF
COMFORT FINCAP LIMITED

Sd/-

ANKUR AGRAWAL
CHAIRPERSON & DIRECTOR
DIN: 06408167

DATE : AUGUST 02, 2022

PLACE : MUMBAI

Annexure 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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 MARCH 31, 2022

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, 3rd 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 **March 31, 2022**, 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 **March 31, 2022**, 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; **(There were no events requiring compliance during the audit period)**
- 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, 2018 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 and Sweat Equity) Regulations, 2021; **(There were no events requiring compliance during the audit period)**
- e. 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;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(There were no events requiring compliance during the audit period)**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(There were no events requiring compliance during the audit period)**
- h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021; **(There were no events requiring compliance during the audit period)**
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018;

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:

- a) Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as applicable to the NBFC;
- b) Various Circulars, Notifications, Directions, Guidelines, Master Circulars and Master Direction issued by the Reserve Bank of India from time to time in respect of Systemically Important Non-Deposit taking Non-Banking Financial Company.

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 is suspended on Calcutta Stock Exchange.

I report that:

- The Board of Directors of the Company is 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 is 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**

**Sd/-
Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022**

**UDIN: F010070D000242601
Date: April 29, 2022
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

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 process as were appropriate to obtain responsible assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed 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.

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

**Sd/-
Mitesh Shah
Proprietor**

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

**Date: April 29, 2022
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.

- 1. The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the Financial Year 2021-22:**

(Rs. in Lakh)

Name of Directors/ KMP	Designation	Ratio of Remuneration of each Director / Employee to the median remuneration	Remuneration	
			F.Y. 2021-22	F.Y. 2020-21
Mr. Ankur Agrawal	Executive Director	2.36	33.00	5.50
Mr. Devendra Lal Thakur*	Non-Executive Independent Director	0.05	0.7	0.65
Mr. Milin Ramani*	Non-Executive Independent Director	0.05	0.75	0.8
Mrs. Apeksha Kadam*	Non-Executive Non-Independent Director	0.02	0.3	-
Mr. Bharat Shiroya	Chief Executive Officer	1.86	26.00	26.00
Mrs. Nirmala Kanjar	Chief Financial Officer	0.80	11.11	9.73
Ms. Sneha Mandelia	Company Secretary	0.29	4.03	2.59

*Only Sitting fees paid for attending meetings.

- 2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2021-22 as compared to Financial Year 2020-21:**

Name of Directors/ KMP	Designation	% increase / decrease in Remuneration
Mr. Ankur Agrawal	Executive Director	Nil
Mr. Devendra Lal Thakur	Non-Executive Independent Director	N.A.
Mr. Milin Ramani	Non-Executive Independent Director	N.A.
Mrs. Apeksha Kadam	Non-Executive Non-Independent Director	N.A.
Mr. Bharat Shiroya	Chief Executive Officer	Nil
Mrs. Nirmala Kanjar	Chief Financial Officer	14.24
Ms. Sneha Mandelia	Company Secretary	55.87

- 3. The Percentage increase in the median remuneration of employees in the Financial Year 2021-22:**

The percentage increase in the median remuneration of all employees in the Financial Year was 50.71%.

- 4. The number of permanent employees on the payroll of Company as on 31st March, 2022:**

The number of permanent employees on the payroll of Company as on 31st March, 2022 were 8.

- 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 60.72 % vis a vis increase of 7.39 % 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
CHAIRPERSON & DIRECTOR
DIN: 06408167**

**Date: August 02, 2022
Place: Mumbai**

ANNEXURE 4

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR Policy of the Company:

The details of the programs / projects to be undertaken have been given in Corporate Social Responsibility Policy of the Company which is attached in the Annual Report and is also available on the Company's website <http://www.comfortfincap.com/Investorrelation>.

2. **Composition of the CSR Committee as on March 31, 2022:** Pursuant to provisions of Section 135(9) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and MCA General Circular No. 14 /2021 dated August 25, 2021, where the amount required to be spent by a Company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the Company. Accordingly, all the functions of CSR committee are discharged and approved by the Board of Directors of the Company.
3. Web-link where CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - <http://www.comfortfincap.com/Investorrelation>.
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - NOT APPLICABLE
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any

Sr. No	Financial Year	Amount available for set-off from preceding Financial Years (in Lakhs)	Amount required to be set-off for the Financial Year, if any (in Lakhs)
		NIL	

6. Average net profit of the company as per section 135(5): Rs. 3,60,81,250/-
7. (a) Two percent of average net profit of the company as per section 135(5) – Rs. 7,21,625/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years – NIL
 (c) Amount required to be set off for the Financial Year, if any - NIL
 (d) Total CSR obligation for the Financial Year (7a+7b-7c) – Rs. 7,21,625/-
8. (a). CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,50,000/-	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in thecurrent Financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementa tion Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
N.A.												

(c). Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR registration number
1.	Food and Shelter facilities to needy people	Section (x) – Rural development	No	Rajasthan	Jhunjhunu	7,50,000/-	No	Seth Govindram Charitable Trust	CSR00014394
TOTAL						7,50,000/-			

(d). Amount spent in Administrative Overheads: NA**(e). Amount spent on Impact Assessment, if applicable:** NA**(f). Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 7,21,625/-**(g). Excess amount for set off, if any**

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	7,21,625 /-
(ii)	Total amount spent for the Financial Year	7,50,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	28,375/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	28,375/-

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
N.A.							

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing.
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year -NA

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - NA

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

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

**DATE: AUGUST 02, 2022
PLACE: MUMBAI**

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2022 has been prepared in compliance with the applicable provisions of the Securities and Exchange Board of India (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

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Our Corporate Governance practices are 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 Fincap Limited ("the Company"), the Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company has adopted a Code of Conduct for its employees, directors including non-executive directors, independent directors that suitably incorporates their duties.

Company's Corporate Governance structure has evolved over the years and it provides a comprehensive framework to enhance accountability to shareholders and other stakeholders. It ensures timely implementation of the plans and adequate disclosures as well as fair dealings with shareholders and other stakeholders' interests. Processes have been designed to run the businesses responsibly and harmonize diversified interests of various stakeholders thereby enhancing stakeholders' value.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

THE BOARD OF DIRECTORS

Comfort Fincap Limited is a professionally managed company functioning under the overall supervision of the Board of Directors. The Board of Directors the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel.

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, 2022, 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 Chairperson of the Company.

Directorships and Committee Memberships/Chairpersonships in other Companies as on March 31, 2022 are given below:

Name of the Director	Category	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)*		Names of the other listed entities where the person is a director	Category of Directorship in other Listed Companies
				Member	Chairperson		
Mr. Ankur Agrawal (DIN: 06408167)	Executive Director, Chairperson	0	12	8	1	Comfort Commotrade Limited	Non-Executive - Non Independent Director
						Luharuka Media & Infra Limited	Executive Director-Chairperson-Managing Director
						Comfort Intech Limited	Non-Executive - Non Independent Director-Chairperson
Mr. Devendra Lal Thakur (DIN: 00392511) (5)	Non-Executive Independent Director	0	4	8	5	Comfort Commotrade Limited	Non-Executive, Independent Director
						Luharuka Media & Infra Limited	Non-Executive, Independent Director
						Comfort Intech Limited	Non-Executive, Independent Director
Mr. Milin Ramani (DIN: 07697636)	Non-Executive Independent Director	0	7	9	1	Comfort Commotrade Limited	Non-Executive, Independent Director
						Luharuka Media & Infra Limited	Non-Executive, Independent Director
						Comfort Intech Limited	Non-Executive, Independent Director
						Tree House Education & Accessories Limited	Non-Executive, Independent Director
Mrs. Apeksha Kadam (DIN: 08878724)	Non-Executive-Non-Independent Woman Director	0	10	1	1	Comfort Commotrade Limited	Non-Executive - Non-Independent Woman Director-Chairperson
						Luharuka Media & Infra Limited	Non-Executive-Non-Independent Woman Director
						Comfort Intech Limited	Executive Woman Director

Notes:

- (1) No. of Directorship in other entities includes public and private companies and excludes 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 Chairpersonship /Membership of Audit Committee and Stakeholders' Relationship of other companies.
- (3) None of the Directors hold directorship in more than twenty (20) Indian companies, with not more than ten (10) public limited companies. Further, none of the Directors on the Board serves as director or as independent directors in more than seven (7) listed entities and none of the Director who are Executive Directors serves as independent directors in more than three (3) listed entities as per Regulation 17A of the SEBI Listing Regulations. Also, none of the Director acts as a member of more than ten (10) committees or acts as a chairperson of more than five (5) committees (committees being Audit Committee and Stakeholders Relationship Committee) across all Public Limited Companies in which they are Director as per Regulation 26(1) of the SEBI Listing Regulations.
- (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.
- (5) Mr. Devendra Lal Thakur (DIN: 00392511) was re-appointed as an Additional Director in the category of Non-Executive Independent Director for the second term w.e.f. October 20, 2021, subject to the approval of members ensuing 40th Annual General Meeting.

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

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and is proven academician in the field relevant to the Company's business.

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 the Directors	Skills / Expertise /Core Competence									
		Corporate Governance & Ethics	Management & Strategy	Strategy and Planning	Financial Management & Taxation	Global business perspective	Audit & Accounts	Business Administration	Operations and General Management	Human Resource Management / Personnel Management	Compliance
1	Mr. Devendra Lal Thakur	✓	✓	✓	✓	✓	✓	-	-	-	✓
2	Mr. Milin Ramani	✓	✓	✓	-	-	✓	-	-	✓	✓
3	Mrs. Apeksha Kadam	-	✓	-	-	✓	-	✓	✓	✓	✓
4	Mr. Ankur Agrawal	✓	✓	✓	✓	✓	✓	✓	✓	-	✓

➤ **Number of Board Meetings**

During the financial year ended March 31, 2022, four (4) Board Meetings were held on May 25, 2021, July 29, 2021, October 20, 2021, and January 24, 2022. The necessary quorum was present for all the meetings. The details of attendance of Directors at Board Meetings during the financial year 2021-22 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 39 th AGM held on September 08, 2021
			Held during the tenure	Attended	% of attendance	
1.	Mr. Ankur Agrawal	Executive Director, Chairperson	4	4	100	No

Sr. No.	Name of Member	Category	No. of Meetings attended			Attendance at 39 th AGM held on September 08, 2021
			Held during the tenure	Attended	% of attendance	
2.	Mr. Milin Ramani	Non-Executive - Independent Director	4	4	100	Yes
3.	Mr. Devendra Lal Thakur	Non-Executive - Independent Director	4	4	100	Yes
4.	Mrs. Apeksha Kadam	Non- Executive - Non-Independent Woman Director	4	4	100	Yes

➤ Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders.

➤ Meetings of the Independent Directors

During the year under review, the Independent Directors met on January 24, 2022 as per the Schedule IV of the Companies Act, 2013 and the Rules thereunder inter-alia to:

1. Review the performance of Non- Independent Directors and the Board of Directors as whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Access the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meeting was attended by all the Independent Directors as on that date and Mr. Devendra Lal Thakur chaired the said Meeting. The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the meetings and the openness and transparency with which the Management discusses various subject matters specified in the agendas of meetings.

➤ Familiarization Programme

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a system to familiarize its Independent Directors. The familiarization program aims to provide the Independent Directors their roles, responsibilities in the Company, nature of the industry, business model, processes, policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company, significant development so as to enable them to take well informed decisions in timely manner. During the financial year 2021-22, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations, duties and responsibilities of Independent Directors under the Companies Act 2013 and SEBI Listing Regulations. The Company conducted 1 program during the financial year 2021-22 and the time spent by Independent Directors was in the range of 2 hours. The cumulative programs / meetings conducted till date were 6 and the time spent by Independent Directors was in the range of 10 hours. The policy on Company's familiarization program for independent directors & hosted on the Company's website at <http://www.comfortfinicap.com/Investorrelation>.

COMMITTEES OF THE BOARD:

The Committees of the Board plays an important role in the governance structure of the Company and have been constituted to focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or terms of reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairperson of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

There are 3 Board Committees as on March 31, 2022 details of which are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

1. AUDIT COMMITTEE

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name	Category	
Audit Committee	<ul style="list-style-type: none">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.	Mr. Devendra Lal Thakur (Chairperson)	Non-Executive - Independent Director	<ul style="list-style-type: none">During the financial year under review, the Audit Committee met 4 (Four) times on May 25, 2021, July 29, 2021, October 20, 2021 and January 24, 2022;The Committee comprises of three Directors out of which 2/3rd 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;
		Mr. Ankur Agrawal (Member)	Executive Director	
	<ul style="list-style-type: none">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.	Mr. Milin Ramani (Member)	Non-Executive - Independent Director	<ul style="list-style-type: none">Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings;The Company Secretary acts as the Secretary to the Audit Committee.
		<ul style="list-style-type: none">There was 100% Attendance of all members in all the meetings of committee.The AGM for the financial year 2020-21 was held on September 08, 2021 and was attended by Mr. Devendra Lal Thakur, Chairperson.		

2. NOMINATION AND REMUNERATION COMMITTEE

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name	Category	
Nomination and Remuneration Committee	<ul style="list-style-type: none">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 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.	Mr. Devendra Lal Thakur (Chairperson)	Non-Executive - Independent Director	<ul style="list-style-type: none">During the financial year under review, the Committee met 2 (Two) times on May 25, 2021 and October 20, 2021;The Nomination and Remuneration Committee comprises of three directors out of which 2/3rd are independent directors and Chairperson of the committee is an independent director;Details of and Remuneration Policy is given below:
		Mr. Milin Ramani (Member)	Non-Executive - Independent Director	
		Mrs. Apeksha Kadam (Member)	Non-Executive - Non-Independent Director	
		<ul style="list-style-type: none">There was 100% Attendance of all members in all the meetings of committee.The AGM for the financial year 2020-21 was held on September 08, 2021 and was attended by Mr. Devendra Lal Thakur, Chairperson.		

Remuneration Policy

➤ Your Company's Nomination and Remuneration Policy for Directors and Senior Managerial Personnel's is 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, the 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.
- 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 2021-22, 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 details of sitting fees paid to the Non-Executive Independent Director and Non- Executive Non-Independent Directors for the financial year 2021-22 are given in Annexure 3 of the Directors' Report.

c. Details of Remuneration paid to Executive Director:

The details of remuneration paid to the Executive Directors for the financial year 2021-22 are given in Annexure 3 of the Directors' Report.

Performance evaluation of the Independent Director

Pursuant to Regulation 17 (10) of SEBI (LODR) Regulations, 2015 the evaluation of independent directors was done by the entire board of directors which included:

- (a) performance of the independent directors; and
- (b) fulfilment of the independence criteria as specified in these regulations and their independence from the management.

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. The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name	Category	
Stakeholders' Relationship Committee	<ul style="list-style-type: none">Company's Stakeholders' Relationship Committee is constituted pursuant to section 178 (5) of Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.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.	Mr. Devendra Lal Thakur (Chairperson)	Non-Executive - Independent Director	<ul style="list-style-type: none">During the financial year under review, the Committee met 4 (Four) times on May 25, 2021, July 29, 2021, October 20, 2021, and January 24, 2022;The Committee comprises of three directors out of which two are independent directors. The Chairperson of the Committee is Independent Director;Details of Investor complaints and Compliance Officer are provided below.
		Mr. Ankur Agrawal (Member)	Executive Director	
		Mr. Milin Ramani (Member)	Non-Executive - Independent Director	
		<ul style="list-style-type: none">There was 100% Attendance of all members in all the meetings of committee.The AGM for the financial year 2020-21 was held on September 08, 2021 and was attended by Mr. Devendralal Thakur, Chairperson.		

Status of Transfers

There were no pending share transfer requests as on March 31, 2022.

Complaints:

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

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

Name, designation and address of Compliance Officer:

Ms. Sneha Mandelia,
Company Secretary and Compliance Officer
A- 301, Hetal Arch, Opp. Natraj Market, S. V. Road, Malad (West), Mumbai - 400064
Phone No. 022-6894-8500/08/09

Attendance records of Committee Meetings

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
No. of meetings held	4	2	4
No. of meetings attended			
Name of the member			
Mr. Devendra Lal Thakur	4	2	4
Mr. Milin Ramani	4	2	4
Mr. Ankur Agrawal	4	-	4
Mrs. Apeksha Kadam	-	2	-

➤ GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Nature of Special Resolution 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	<ol style="list-style-type: none"> To appoint Mr. Ankur Anil Agrawal (DIN: 06408167) as Non-Executive Non-Independent Director, liable to retire by rotation; 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; To approve and ratify the related party transactions.

Year	Location	Date	Time	Nature of Special Resolution if any Passed
2019-20	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	October 27, 2020	02:30 P.M.	<ol style="list-style-type: none"> 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.
2020-21	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	September 08, 2021	4:00 P.M.	<ol style="list-style-type: none"> 1. To appoint Mrs. Apeksha Kadam (DIN: 08878724), as Non-Executive Non-Independent Director on the Board; 2. To approve and Ratify the Related Party Transactions.

B. Extra-Ordinary General Meetings:

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

C. Postal Ballot:

- Whether any special resolution passed during the year through postal ballot and details of voting pattern:

No resolution passed through postal ballot during the year under review;

- Person who conducted the postal ballot exercise:

Not Applicable;

- Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution proposed to be conducted through postal ballot by the Company.

➤ MEANS OF COMMUNICATION:

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner as follows:

- Quarterly, half-yearly and annual financial results are disseminated to Stock Exchange within 30 minutes from the closure of the Board Meeting at which they are considered and approved and the same are also published in Financial Express & Duranto Batra in compliance with Regulation 47 of the SEBI Listing Regulations.
- The Company discloses to the Stock Exchange(s), all information as required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events for making disclosures to Stock Exchanges.

- Stock Exchange: BSE's Listing Centre is a web-based application designed by the BSE Limited for Listed Corporates. 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 are filed electronically.
- Your Company maintains a website <http://comfortfincap.com/>, wherein there is a dedicated section 'Investor Relation'. The Company's website is a comprehensive reference on its leadership, management, vision, mission, policies, corporate governance, investor relations, service offerings, updates and news. Further, all disclosures disseminated to Stock Exchanges are also made available on the Company's website as required under Regulation 46 of SEBI Listing Regulations.
- Facility has been provided by the SEBI for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). Further, Email ID: info@comfortfincap.com has been designated for the purpose of registering complaints by shareholders or investors or mail to Company's RTA on info@bigshareonline.com.

➤ GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting ("AGM") for the Financial Year 2021-22

Day and Date	Wednesday, September 21, 2022
Time	11.00 A.M
Venue	AGM to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

b) The Financial year and tentative calendar:

The Company follows the financial year from April 01 to March 31. Tentative schedule for declaration of financial results during the financial year 2022-23 is as follows:

Quarter ending June 30, 2022	Within 45 days from the end of the quarter
Quarter ending September 30, 2022	Within 45 days from the end of the quarter
Quarter ending December 31, 2022	Within 45 days from the end of the quarter
Financial year ending March 31, 2023	Within 60 days from the end of the financial year

c) Book Closure Date: September 15, 2022 to September 21, 2022

d) Dividend Payment Date: During the year under review, your Company has not paid any dividend. The Board of Directors does not propose any dividend for the F.Y. 2021-22 at ensuing Annual General Meeting.

e) The name and address of each Stock Exchange(s) at which the listed entity's securities are listed:

Sr. No.	Name and address of the Stock Exchange	Scrip Code
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001, MH, IN	Scrip Code – 535267 ISIN- INE274M01018
2.	The Calcutta Stock Exchange Limited 7, Lyons Range, Dalhousie, Kolkata -700 001, West Bengal	26078

Annual Listing Fees for the financial year 2021-22 and 2022-23 has been paid to the above Stock Exchanges.

COMFORT FINCAP LIMITED

Annual Report 2021-2022

f) Stock Market Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in financial year 2021-2022 on BSE Limited:

BSE Limited			
Month	High (Rs.)	Low (Rs.)	Volume Traded
Apr-21	12.46	7.95	9,442
May-21	13.12	7.10	37,968
Jun-21	18.30	12.51	6,41,565
Jul-21	25.85	16.05	99,033
Aug-21	47.95	27.10	1,81,473
Sep-21	57.20	41.10	3,65,978
Oct-21	74.25	53.50	11,17,896
Nov-21	80.00	52.15	18,43,886
Dec-21	73.90	54.20	30,44,095
Jan-22	51.50	34.15	20,60,413
Feb-22	39.60	23.70	7,35,735
Mar-22	29.80	21.15	4,14,396

g) Performance of Comfort Fincap Limited Share price in comparison to BSE Sensex:

Month	S & P BSE SENSEX			Comfort Fincap Limited		
	High	Low	Close	High (Rs.)	Low (Rs.)	Close (Rs.)
Apr-21	50,375.77	47,204.50	48,782.36	12.46	7.95	8.10
May-21	52,013.22	48,028.07	51,937.44	13.12	7.10	13.11
Jun-21	53,126.73	51,450.58	52,482.71	18.30	12.51	17.59
Jul-21	53,290.81	51,802.73	52,586.84	25.85	16.05	25.85
Aug-21	57,625.26	52,804.08	57,552.39	47.95	27.10	43.25
Sep-21	60,412.32	57,263.90	59,126.36	57.20	41.10	54.90
Oct-21	62,245.43	58,551.14	59,306.93	74.25	53.50	74.00
Nov-21	61,036.56	56,382.93	57,064.87	80.00	52.15	59.60
Dec-21	59,203.37	55,132.68	58,253.82	73.90	54.20	54.20
Jan-22	61,475.15	56,409.63	58,014.17	51.50	34.15	37.00
Feb-22	59,618.51	54,383.20	56,247.28	39.60	23.70	25.80
Mar-22	58,890.92	52,260.82	58,568.51	29.80	21.15	22.45

Source: BSE Limited (www.bseindia.com)

h) Registrar to an Issue and Share Transfer Agent

Name: **Bigshare Services Private Limited**

Address: Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093

Tel: 022-62638200 Fax: 022-62638299

Website: www.bigshareonline.com;

Email ID: investor@bigshareonline.com

i) Depository for Equity Shares

National Securities Depository Limited Trade World, 'A' Wing, 4 th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013; Tel.: 91 22 2499 4200; Fax: 91 22 2497 6351; E-mail: info@nsdl.co.in	Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25 th floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013; Tel.: +91 (022) 2305 8640 / 8642 / 8639 / 8663; E-mail: helpdesk@cdslindia.com
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j) Share Transfer System

- The Company's shares are tradable in the electronic form only. SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1st April, 2019, securities can be transferred only in dematerialized form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
- Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services India Limited ("CDSL"), within the statutory time limit from the date of receipt of share certificates / letter of confirmation after due verification.
- The Company obtains from a Company Secretary in practice 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 same with the Stock Exchanges.

k) Distribution of Share Holding (in Rupees) as on March 31, 2022.

SR NO	RANGE OF SHAREHOLDING OF NOMINAL(in Rs.)		NUMBER OF SHAREHOLDERS	% TO TOTAL NO. OF SHAREHOLDERS	SHARES	% OF TOTAL SHAREHOLDING
1	1	5000	4637	88.5769	3,76,571	3.4703
2	5001	10000	241	4.6036	1,85,191	1.7066
3	10001	20000	146	2.7889	2,21,461	2.0409
4	20001	30000	50	0.9551	1,28,334	1.1827
5	30001	40000	27	0.5158	99,666	0.9185
6	40001	50000	21	0.4011	95,753	0.8824
7	50001	100000	56	1.0697	4,10,380	3.7819
8	100001	999999999	57	1.0888	93,33,944	86.0168
TOTAL			5235	100	1,08,51,300	100

COMFORT FINCAP LIMITED

Annual Report 2021-2022

l) Categories of equity shareholding as on March 31, 2022:

CATEGORY	Total Shareholders	% of total no. of Shareholders	Total Shares	% of total shareholding
Promoter & Promoter Group (A)				
Promoter	1	0.02	11,64,000	10.73
Promoter Group	2	0.04	47,63,701	43.90
Public (B)				
Resident Individuals	5044	97.92	33,50,170	30.88
HUF	49	0.95	1,68,610	1.55
Corporate Bodies	24	0.47	11,33,175	10.44
Foreign Portfolio Corporations	1	0.02	1,70,000	1.57
Clearing Members	14	0.27	78,766	0.73
Non Resident Indians	16	0.31	22,878	0.21
TOTAL	5,151	100	1,08,51,300	100

m) List of the Top 10 Shareholders of the Company (Excluding Promoter Group) as on March 31, 2022:

Sr. No.	Category	Total Shares	% of total Shareholding
1	Kripa Securities Private Limited	4,24,700	3.9138
2	Gaurav Chandrakant Shah	4,21,079	3.8804
3	Snehapusph Marketing Private Limited	3,39,644	3.13
4	Rajendra Kumar Rawal	1,79,256	1.6519
5	Aidos India Fund Ltd	1,70,000	1.5666
6	Ami Jainek Patel	1,57,801	1.4542
7	Sangita Rupesh Vaghasia	1,56,019	1.4378
8	Vishnudham Marketing Private Limited	91,600	0.8441
9	Suresh Laxmanbhai Bhalala	80,950	0.746
10	Nextgen Retail Private Limited	78,500	0.7234

n) Dematerialization of Shares & Liquidity**Break-up of shares in physical & electronic mode as on March 31, 2022.**

Mode	No of shares	% of total Shareholding
Physical	101	0.00
NSDL	18,00,478	16.59
CDSL	90,50,721	83.41
Total	1,08,51,300	100

o) Reconciliation of Share Capital Audit

As required under Regulation 76 of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 2018 as amended and SEBI Circular No. CIR/MRD/DP/30/2010, 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.

p) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2022, as such instruments have not been issued in the past.

q) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Company does not enter into any derivative instruments for trading or speculative purposes. The disclosure on foreign exchange as on March 31, 2022 are disclosed in Directors' Report.

r) Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, there are no equity shares lying in the suspense account.

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

s) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund ("IEPF"):

Pursuant to sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website www.comfortfincap.com.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company. Further, shares of the Company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the account of IEPF Authority. The details of unclaimed dividends and shares transferred to IEPF during the financial year 2021-22 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of Shares transferred
2012-13	89,042.50	-
2013-14	26,717.20	53,315

The Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the web Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial Year	Date of Declaration	Tentative dates for transfer of shares and dividend to IEPF
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) Plant Location:

The Company does not have any plants.

u) Address of Correspondence:

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

Corporate Office: 301, 3rd Floor, A Wing, Hetal Arch,
S. V. Road, Malad (West), Mumbai 400064
Tel: 022-68948508/09;
Website: www.comfortfincap.com;
Email: info@comfortfincap.com.

v) Credit Rating: Not Applicable

➤ **Other Disclosures**

• **Related Party Transactions:**

All the transactions entered between the company and related parties are in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Suitable disclosures as required by the Indian Accounting Standard (Ind AS-24) have been made in the notes to the Financial Statements. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was also obtained for the transactions of repetitive nature. The Policy on

Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link <http://www.comfortfincap.com/Investorrelation>.

- **Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years.**

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 in the financial year 2019-20, the Company was charged a fine of Rs.1,55,000/- under Regulation 17(1) of the SEBI Listing Regulations, for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint women Director and of Rs.1,65,000/- for Non-compliance with Regulation 6(1) of the SEBI Listing Regulations with respect to appointment of qualified Company Secretary as Compliance Officer of the Company. A fine was levied on the Company of Rs. 91,000/- under Regulation 6 of SEBI Listing Regulations for not appointment of qualified Company Secretary as Compliance Officer of the Company for the quarter ended June 2020. BSE Limited charged a fine of Rs. 41,300/- in their invoice dated September 09, 2021 for period from January 01, 2021 to March 31, 2021 under Regulation 33 of the SEBI Listing Regulations for non compliance with the requirements pertaining to Statement on Impact of Audit Qualifications. The Company has duly complied with the above regulations and paid the fines.

- **Whistle Blower Policy and Vigil Mechanism.**

In compliance with the requirements Regulation 22 of SEBI Listing Regulations, the Company has Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. Further in terms to the provisions of SEBI Listing Regulations, no person has been denied access to the Chairperson of the Audit Committee. The said policy has been uploaded on the website of the Company at the web link <http://www.comfortfincap.com/Investorrelation>.

- **Compliance with mandatory requirements and adoption of the non-mandatory requirements.**

1. The Company has complied with all the applicable mandatory requirements of the SEBI Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the SEBI Listing Regulations regarding –

- **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 Investor Relation section.
- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company has different individuals serving as Chairperson and CEO respectively.
- **Modified Opinion(s) in Audit Report -** The Company's Financial Statements for the financial year 2021-22 has the modified opinion and the management's explanation on the said modified opinion appears in the Directors' Report.
- **Reporting of Internal Auditor -** The Internal Auditor reports directly to the Audit Committee, and also attends the Audit Committee meetings, and interacts directly with the Audit Committee members.

- **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.

- **Certificate from Practicing Company Secretary**

A Certificate has been received from M/s. Mitesh J. Shah & Associates Practicing Company Secretaries, as required under Listing Regulations, confirming 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 Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

- **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.

- **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.

- **Total fees paid to Statutory Auditors of the Company is Rs. 3,00,000/- for financial year 2021-22, for all services on a consolidated basis.**

- **In the financial year 2021-2022 the board has accepted all recommendations of its committees.**

- **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The details of complaints are as under:

a.	No. of complaints filed during the financial year	Nil
b.	No. of complaints disposed off during the financial year	Nil
c.	No. of complaint pending as on end of the financial year	Nil

- **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

Some of our directors are also appointed as Directors in our group companies, and loans issued to such entities are disclosed in notes to the standalone financial statements. No other loan/advances were given to any company/firm in which any of the Directors are interested, except for those which are disclosed in the notes to Financials.

➤ **Details of Corporate Policies**

Policy for Performance Evaluation of Board of Directors	http://www.comfortfincap.com/Investorrelation
Familiarization Programme for Independent Directors	http://www.comfortfincap.com/Investorrelation
Policy on Prevention of Sexual Harassment at Work Place	http://www.comfortfincap.com/Investorrelation
Policy for Preservation of Documents	http://www.comfortfincap.com/Investorrelation
Archival Policy	http://www.comfortfincap.com/Investorrelation
Whistle Blower Policy/ Vigil Mechanism	http://www.comfortfincap.com/Investorrelation
Policy on Board Diversity	http://www.comfortfincap.com/Investorrelation
Code of Conduct for Board of Directors & Senior Management	http://www.comfortfincap.com/Investorrelation
Policy on Material Subsidiary	http://www.comfortfincap.com/Investorrelation
Policy on Materiality of Events	http://www.comfortfincap.com/Investorrelation
Nomination & Remuneration Policy	http://www.comfortfincap.com/Investorrelation
Policy on Related Party Transaction	http://www.comfortfincap.com/Investorrelation
Succession Policy	http://www.comfortfincap.com/Investorrelation
Risk Management Policy	http://www.comfortfincap.com/Investorrelation
Code of Conduct for Prevention of Insider Trading	http://www.comfortfincap.com/Investorrelation
Code of Practices and Procedures for fair disclosure of unpublished price sensitive information	http://www.comfortfincap.com/Investorrelation
Code of Conduct to Regulate, Monitor and Report trading by Insiders	http://www.comfortfincap.com/Investorrelation

➤ **Code of Conduct**

The Company has formulated and adopted Code of Conduct for members of the board of directors and senior management personnel (which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act ('Code for Independent Directors') in accordance with Regulation 17(5) of the Listing Regulations) which is available on the website www.comfortfincap.com. The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Bharat Shiroya, Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the Code of Conduct of board of directors and senior management personnel is forming part of this report.

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY THE BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL

[Pursuant to Regulation 34(3) and Schedule V of the SEBI Listing Regulations]

I, Bharat Shiroya, CEO of Comfort Fincap Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI Listing Regulations for the year ended March 31, 2022.

FOR COMFORT FINCAP LIMITED

PLACE: MUMBAI
DATE: APRIL 29, 2022

Sd/-
BHARAT SHIROYA
CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

This is to certify that:

- A. We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2022 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the quarter and financial year ended on March 31, 2022 are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps have been taken to rectify these deficiencies.
- D. We further certify that we have indicated to the Auditors and the Audit Committee that;
- i. There has not been any significant changes in internal control over financial reporting during the year under reference;
 - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
- E. We further declare that, all board members and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management for the current year.

FOR COMFORT FINCAP LIMITED

Sd/-
NIRMALA KANJAR
CHIEF FINANCIAL OFFICER

PLACE: MUMBAI
DATE: APRIL 29, 2022

FOR COMFORT FINCAP LIMITED

Sd/-
BHARAT SHIROYA
CHIEF EXECUTIVE OFFICER

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 having CIN: L65923WB1982PLC035441**, having its Registered Office at 22 Camac Street Block 'B' Kolkata -700016 and its Corporate Office at A-301, Hetal Arch, S.V. Road, Malad (West), 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) 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 March 31, 2022 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.	Devendra Lal Rambharose Thakur	00392511	20/10/2021
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.

For Mitesh J. Shah & Associates
Company Secretaries

Sd/-
Mitesh Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022
UDIN: F010070D000242643

Date: April 29, 2022
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 ('the Company')**, **CIN: L65923WB1982PLC035441** having Registered Office at 22 Camac Street Block 'B' Kolkata -700016 and Corporate Office at A-301, Hetal Arch, S.V. Road, Malad (West), Mumbai-400064, Maharashtra, India for the year ended on March 31, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) 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

Sd/-
Mitesh J. Shah
Proprietor
FCS No.: 10070
C. P. No.: 12891
Peer Review Certificate No. 1730/2022

UDIN: F010070D000818515

Date: 19/08/2022
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

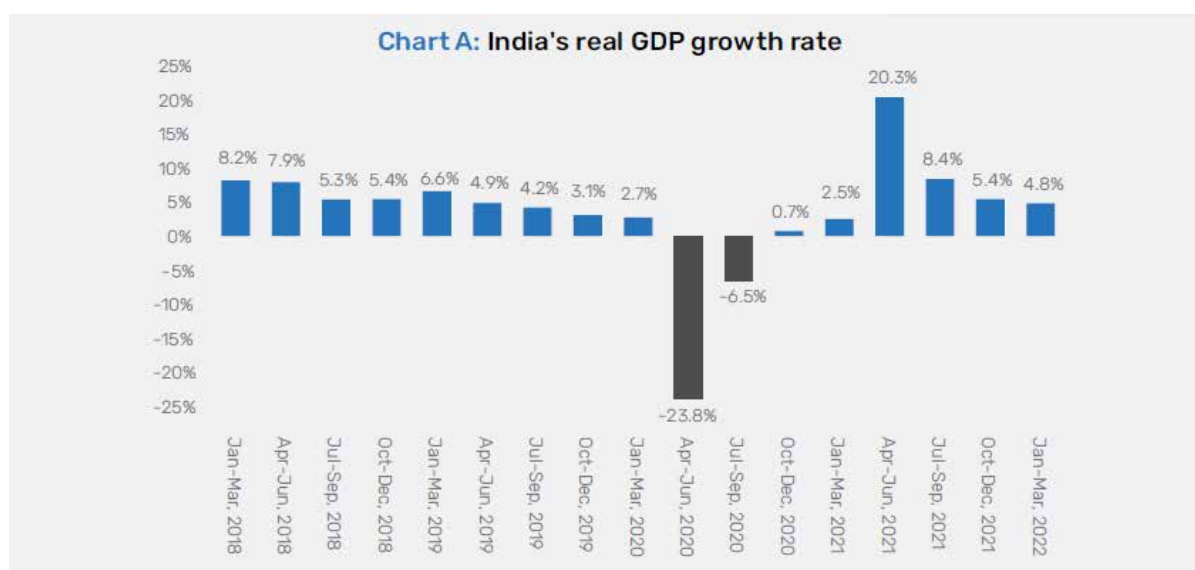
MACROECONOMIC OVERVIEW

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of the Reserve Bank of India ("RBI") and central and state governments which gave a much-needed cushion for the stability of the economy.

The Non-Banking Financial Companies ("NBFCs") sector in India has traversed highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. They consolidated their positions in the lending space following asset quality concerns for banks.

Over the first half of 2021, an uneven and divergent global recovery began to take shape with the ebbing of the "Delta" variant-driven infections and the gathering pace and scale of vaccination. In its April 2021, World Economic Outlook ("WEO"), the International Monetary Fund ("IMF") estimated world GDP to grow by 6.0 per cent in 2021 and world trade by 8.4 per cent. In the second half of 2021, the global recovery became hostage to the "Omicron" variant. This wave turned out to be short-lived and global trade recovered amidst supply and logistics bottlenecks to grow by 10.1 per cent over the year as a whole. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in 2021 from 4.2 per cent a year ago. The IMF's April 2022 WEO has placed global GDP growth for the year at 6.1 per cent, a shade higher than its projection made a year ago.

In fact, the third wave starting end-December 2021 was flattened in a month's time, with infections back to levels seen at the start of the pandemic. The National Statistical Office ("NSO") has placed real GDP growth at 8.9 per cent in 2021-22, surpassing its pre-pandemic level (of 2019-20) by 1.8 per cent. RBI in its monetary policy report dated 8 April 2022 projected a real GDP growth of 7.2% for the financial year 2022-23.



FINANCIAL SERVICES INDUSTRY OVERVIEW

- The diverse Indian financial services sector represents the progress and opportunity of its economy. The sector continues to be impacted by rising incomes, increased government support through policies and rapid digital adoptions throughout the value chain.
- NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are leveraging their superior understanding of regional dynamics and customized products and services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from Banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in large country like India.
- The Government has been driving as well as supporting the digital revolution in banking, fintech and payment systems to increase efficiency and streamline processes, creating an indirect credit demand from banks and NBFCs.
- Over the last five years, NBFC's assets have grown at cumulative average growth rate of 17.9 per cent.

ABOUT 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 objects of the Company are 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, the 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 as follows:

 <p>Loan Against Securities -</p> <p>With loan against securities, you can get credit against your securities like Equity Shares, Mutual Fund Units while still retaining ownership. By way of loan against securities, you can borrow capital by pledging your financial investments. This enables you to enjoy all corporate benefits accrued on your securities and still avail loan against them. Interest will be charged only on the actual amount and that too for the time it is utilized.</p>	 <p>Margin Funding-</p> <p>Margin Finance trading is granted against pre-approved list of securities, subject to predefined haircut for margin. Through margin finance facility, investors can raise finance to purchase additional securities without selling their long-term investments. Under this facility, the investors need to either pay a part of the total purchase value or pledge his existing approved securities as margin, while the balance purchase value is being funded by NBFC. Margin Financing is thus known as 'gearing' of the investment portfolio.</p>	 <p>Bill Discounting-</p> <p>We offer bill discounting services by virtue of which we buy the bill (i.e. Bill of Exchange of Promissory Note) before it is due and credits the value of the bill after a discount charge to the customer's account. Bills that come under bill discounting are termed as 'bills of exchange'. Bill discounting feature can be used to avail loans up to approximately 90% of the raised invoices.</p>	 <p>ESOP Finance-</p> <p>Individuals holding ESOPs from their employers & wanting to exercise their option can avail loan on competitive terms.</p>
 <p>Loan Against Property/ Mortgage Loan-</p> <p>Loan Against Property allows you to cash in on your assets anytime you need to fulfill your dreams. At Comfort, we make sure that you get a quick loan against your property at affordable interest rates to help you chase your happiness without any worries.</p>	 <p>Home Improvement Loan-</p> <p>A home is usually said to be a reflection of its owner. You can now spruce up your home and make renovation a milestone as memorable and enjoyable as home buying. With Comfort's Home Improvement Loans, you can upgrade your existing home to a contemporary design and a more comfortable living space.</p>	 <p>Promoter Funding-</p> <p>A facility provided to promoters of well-managed companies to raise funds against their stake in that operating company. These funds can be utilized for various needs like financing for business growth, Acquisitions and take-over financing. Any working capital requirement can also be availed by the promoters through Promoters Funding.</p>	 <p>Machinery Finance-</p> <p>For any business to function smoothly, it's always good to avoid high capital expenditure and focus more on its functioning. To achieve this, we at comfort provide operating and financing lease which minimises your overall expenses manifold.</p>


Car Loan-

You no longer have to wait to buy that dream car because Comfort offers great car loan deals with up to 100% finance. Whether it is a new car, a pre-owner car or even a loan against a car, we can offer you a car loan at attractive interest rates and flexible repayment tenures. Fast approvals, personalised service and utmost transparency make us the leader in car loans in India.


Gold Loan-

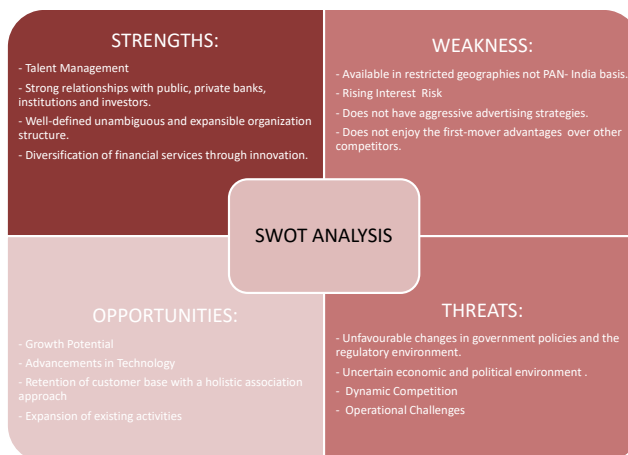
Now make use of the assets you have - use your gold help you get a Gold Loan at Comfort. Your gold stays safe while you can go ahead and take advantage of every opportunity.


IPO Financing-

IPO Financing is one of the most lucrative investment opportunities to leverage your funds in the primary markets. Our loans help corporate and high net worth individuals subscribe to the equity IPOs. All you have to do is invest the margin amount and we'll finance the balance application amount. The IPO financing loans are generally issued for the tenor of 10-15 days.

SWOT ANALYSIS:

During financial year 2021-22, your Company addressed the challenges posed by the COVID-19 pandemic with enhanced focus on protecting the balance sheet and strengthening the business franchise.

(Chart B: SWOT Analysis)

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

- The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company is having an internal control system including suitable monitoring procedures commensurate with its size of operations;
- The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources;

- The internal control system is supplemented by extensive Internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records;
- The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. The Internal Audit reports are periodically reviewed by the Audit Committee;
- Our Internal Auditor, M/s. AHSP & Co. LLP, Chartered Accountants, has certified that the Company maintains an adequate system of internal financial controls, evaluates and makes an assessment of its adequacy and effectiveness in a satisfactory manner which takes care of requirements under the Companies Act, 2013.

FINANCIAL PERFORMNACE:

The summary of audited consolidated and standalone financial performance of the Company, for the financial year ended March 31, 2022 is summarized as under:

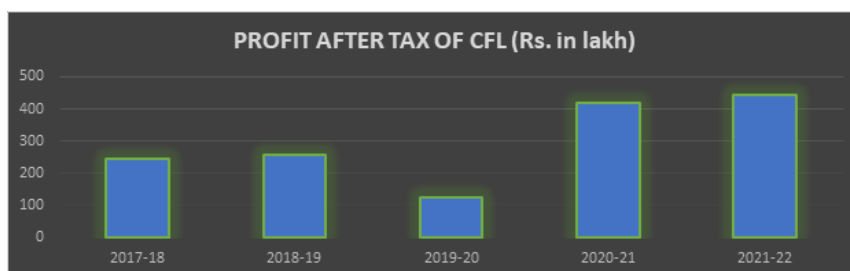
(Rs. in Lakh, except EPS)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations	1242.97	1112.77	1242.97	1112.77
Other operating Income	7.24	1.01	7.24	1.01
Total Revenue	1250.21	1113.78	1250.21	1113.78
Total Expenditure	630.31	555.79	630.31	555.79
Profit before Tax	619.90	558.00	619.90	558.00
Current Tax Expenses	146.51	179.96	146.51	179.96
Deferred Tax	14.08	(35.36)	14.08	(35.36)
Tax of earlier years	16.86	(4.61)	16.86	(4.61)
Profit for the Year	442.44	418.00	442.40	418.01
Earnings Per Share (EPS), Basic & Diluted	4.08	3.85	4.08	3.85

On a consolidated basis, the Company registered revenue from operations of Rs. 1242.97 lakh for the year ended March 31, 2022 as compared to Rs. 1112.77 lakh in the previous financial year ended March 31, 2021. The Net profit stood at Rs. 442.40 lakh for the year ended March 31, 2022 as compared to the profit of Rs. 418.01 lakh in the previous financial year ended March 31, 2021.

On a standalone basis, the Company registered revenue from operations of Rs. 1242.97 lakh for the year ended March 31, 2022 as compared to Rs. 1112.77 lakh in the previous financial year ended March 31, 2021. The Net profit stood at Rs. 442.44 lakh for the year ended March 31, 2022 as compared to the profit of Rs. 418.00 lakh in the previous financial year ended March 31, 2021.

(Chart C: Profit after Tax of the Company)



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

Key Ratios	FY 21-22	FY 20-21	Variance (%)
Debt/Equity Ratio*	1.13	0.75	50.23
Return on Net worth	0.098	0.10	(4.52)
Net profit Ratio	0.35	0.38	(5.70)
Return on Capital Employed	0.21	0.20	4.62
Earnings Per Share (EPS)	4.08	3.85	5.97

*Debt Equity Ratio has been increased due to increase in borrowing.

HUMAN RESOURCES (HR):

- As a financial services provider, people are the greatest assets and the core strength to your Company's business. As of 31st March 2022, your Company employed 08 employees. CFL has consistently been agile and has improved its human resource practices to match up to the dynamic workplace. The Company has very cordial and harmonious relationship with its employees;
- The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company;
- We have adopted people practices that enable us to attract and retain talent in an increasingly competitive market; and to foster a work culture that is always committed to providing the best opportunities to employees to realize their potential. We are committed as an equal opportunity employer and follow non-discrimination in all our practices.

RISKS & CONCERNS:

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 organization.

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, technology risks, etc. The Company has a Risk Management Framework that involves risk identification, risk assessment and risk mitigation planning. 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.

- Every business needs a business continuity plan. It sets out how you will prepare for a pandemic and continue to operate after the disaster. It will help to minimize recovery time and reduce your business losses.
- Credit risk is the largest risk for your Company's business. Your Company, therefore, carefully and efficiently manages its exposure to credit risk. Your Company has a wide-ranging underwriting framework in place. This framework helps guide individual businesses to optimum credit decisions. Further, it is also supported by well-defined risk limits across various parameters.
- In view of the financial nature of assets and liabilities, changes in market interest rates may adversely affect its financial condition. Fluctuations in interest rates can occur due to both internal and external factors.

OUTLOOK:

NBFCs have come a long way in terms of their scale and diversity of operations. They now play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access of financial services to meet the diversified financial needs of less-banked customers. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based innovative business models. The regulatory approach of the Reserve Bank has adapted to the increase in complexity of the entities within the NBFC sector as well as the growing significance of NBFCs within the financial sector. With the growth in size and interconnectedness, NBFCs have increasingly become systemically significant and the prudential regulations for NBFC sector have evolved to give greater focus to the theme of financial stability. Ensuring good corporate governance in NBFCs is at the core of any regulatory change. This is not an easy objective to meet, as good governance is essentially an aspirational achievement for an entity and it can seldom be founded only on regulatory prescriptions. A consumer of financial services provided by any regulated entity, whether a bank or NBFC, nurtures similar expectation of fair treatment and avenues for grievance redressal. A transparent and self-disciplining mechanism has to be imagined for the future where the changing business models and newer credit delivery mechanisms do not deviate from the objective of fair treatment of the customer.

The NBFC sector has become extremely diverse. The business model, customer profile and nature of financial products vary substantially depending on the category of the NBFC. The uniqueness of this sector lies in the inherent diversity of activities carried out by different NBFCs and thus, there can be no 'one-size-fits-all' prescription in the regulatory approach for NBFCs. Perhaps a calibrated and graded regulatory framework proportionate to the systemic significance of entities concerned is the way forward.

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. Actual results may vary significantly from the forward-looking statements contained in this document 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 of
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, 2022, 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, 2022, 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.

Information other than the Financial Statements and Auditors report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report and hence we have nothing to report in this regard.

Responsibilities of Management for the 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 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 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.

The Board of Directors are 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

1. As required by the Companies (Auditor's Report) Order, 2020, issues by the Central Government of India in terms of sub section (11) of the section 143 of the Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 except as stated in Basis for Qualified Opinion paragraph.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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".
- (B) 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 26 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (a) and (iv) (b) contain any misstatement.
- v. According to information and explanation given to us, the Company has not declared any dividend in terms of provision of section 123 of Companies Act, 2013.

(C) With respect to the matter to be included in the Auditor's Report under Section 197 (16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

A.R.Sodha
Partner
M No.031878
Place: Mumbai
Date: 29th April , 2022
UDIN: 22031878AIBPIT7063

ANNEXURE A TO AUDITORS'S REPORT

On the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report that:

1.
 - a) (A) According to information and explanations given to us by the management and records furnished before us, the Company has generally maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
 - (B) According to information and explanations given to us by the management and records furnished before us, the Company does not have any intangible assets. Accordingly, reporting under clause 3(i) (a) (B) of Companies (Auditor's) Report Order, 2020 is not applicable.
 - b) The property, plant and equipment 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) According to the information and explanation given to us and on the basis of records furnished before us, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.
 - d) According to the information and explanation given to us and on the basis of records furnished before us, the company has not revalued property, plant & equipment or intangible assets. Therefore, reporting under clause 3(i) (d) of Companies (Auditor's) Report Order, 2020 is not applicable.
 - e) According to the information and explanation given to us and on the basis of records furnished before us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereof. Therefore, reporting under clause 3(i)(e) Companies (Auditor's) Report Order, 2020 is not applicable.
2.
 - a) According to information and explanation given to us by the management, the Company's nature of operations does not require it to hold inventories. Accordingly, reporting under clause 3(ii)(a) of Companies (Auditor's) Report Order, 2020 is not applicable.
 - b) According to information and explanation given to us by the management and on the basis of records furnished before us, the Company has been sanctioned working capital limits in excess of five crore rupees from financial institutions on the basis of security of shares held for trading which are part of current investments during year. The returns/ statements filed by the company with such financial institutions are in agreement with the books of accounts of the Company.
3. According to the information and explanation given to us and on the basis of records furnished before us, the company has granted unsecured and secured loans to companies, firms, Limited Liability Partnerships and other parties. The Company has not made investments in, provided any guarantee or security to Companies, firms, Limited liability Partnerships or any other entities.
 - a) Since the principal business of the company is to give loans, reporting under clause 3(iii)(a) of Companies (Auditor's) Report Order, 2020 is not applicable.
 - b) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the terms and conditions of the loans granted are not prejudicial to the company's interest.

- c) & d) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. Refer note 44 to standalone financial statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations.
- e) Since the principal business of the company is to give loans, reporting under clause 3(iii)(e) of Companies (Auditor's) Report Order, 2020 is not applicable.
- f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
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 with respect to the loans given to related parties and guarantees given for related parties.
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. Therefore, clause 3(v) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
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. Therefore clause 3(vi) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
7. a) According to the information and explanations given to us and records examined by us, Company is generally regular in depositing of undisputed statutory dues with respect to Income Tax, Tax Deducted at Source, Provident fund, Goods and Service Tax, etc.. There are no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable except Rs.13.68 Lakhs pertaining to Income Tax
- 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	Dividend Distribution Tax	AY 2016-17	5.61 Lakhs	Online response has been filed with Central Processing Centre .

8. According to information and explanation given to us and the records of the Company, the Company has not surrendered or disclosed any transactions previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.
9. (a) 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 lender as at the Balance Sheet date.
- (b) According to the information and explanations given to us and the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us and the records of the Company, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
 - (d) According to the information and explanations given to us and the records of the Company, no funds raised on short term basis have been utilized for long-term purposes by the company.
 - (e) According to the information and explanations given to us and the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(e) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
 - (f) According to the information and explanations given to us and the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its associates as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 is not applicable.
10. (a) According to information and explanation given to us by the management and records furnished before us, the company has not raised money by way of initial public offer or further public offer. Accordingly reporting under Clause 3(ix)(a) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- (b) According to information and explanation given to us by the management and records furnished before us, the Company has not made preferential allotment or private placement of shares or convertible debentures during the year. Accordingly reporting under Clause 3(ix)(b) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
11. (a) According to the information and explanations given to us and based on the examination of books and records of the Company, no fraud by the company or on the company has been noticed or reported during the course of the audit.
- (b) According to information and explanation given to us by the management and records furnished before us, no report under section 143(12) of Companies Act, 2013 has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies(Audit and Auditors) Rules, 2014 with central government.
- (c) According to information and explanation given to us by the management and records furnished before us, the Company has not received any whistle blower complaints during the year.
12. The Company is not a Nidhi Company hence reporting under clause 3(xii) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required to be disclosed under applicable Accounting Standard.
14. (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
15. According to the information and explanation given to us, the company has not entered into any non-cash transaction with directors or persons connected with them. Therefore reporting under clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable.

16. (a) The Company is non-banking financial company and is registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanation given to us, the Company has not conducted any non-banking financial or housing finance activities without a valid certificate as per RBI Act, 1934. Accordingly, clause 3(xvi) (b) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, clause 3(xvi) (c) of the Companies (Auditor's Report) Order, 2020 is not applicable.
- (d) According to the information and explanation given to us, the group does not have any CIC. Accordingly, clause 3(xvi) (d) of the Companies (Auditor's Report) Order, 2020 is not applicable.
17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the order Companies (Auditor's) Report Order, 2020 is not applicable.
19. According to the information and explanation given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.

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

A.R.Sodha
Partner
M No.031878
Place: Mumbai
Date: 29th April , 2022
UDIN: 22031878AIBPIT7063

ANNEXURE B TO AUDITORS'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Comfort Fincap Limited ("the Company") as of March 31, 2022 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

A.R. Sodha
Partner
M No. 31878

Place: Mumbai
Date: 29th April , 2022
UDIN: 22031878AIBPIT7063

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Standalone Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	2	224.25	26.06
(b) Receivables			
i) Trade Receivables	3	5.40	4.32
ii) Other Receivables		-	-
(c) Loans	4	9,029.41	6,978.40
(d) Investments	5	382.34	327.38
(e) Other Financial assets (to be specified)	6	1.22	3.04
		9,642.62	7,339.20
(2) Non-Financial Assets			
(a) Property, plant and equipment	7	1.30	1.52
(b) Other non-financial assets	8	-	9.58
		1.30	11.10
(3) Non Current Asset held for sale	9	107.36	-
TOTAL ASSETS		9,751.28	7,350.30
II LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
-total outstanding dues of micro enterprises and small enterprises; and		-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	10	25.53	49.08
(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	11	5,107.31	3,066.56
(b) Other financial liabilities	12	50.88	49.60
		5,183.71	3,165.25
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	13	26.18	100.19
(c) Deferred tax liabilities (Net)	14	24.45	10.36
		50.63	110.55
(3) EQUITY			
(a) Equity Share capital	15	1,085.13	1,085.13
(b) Other Equity*		3,431.81	2,989.37
		4,516.94	4,074.50
TOTAL EQUITY AND LIABILITIES		9,751.28	7,350.30
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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	16		
(a)	Interest Income		1,136.41	935.07
(b)	Dividend Income		1.39	2.11
(c)	Fees and commission Income		31.71	23.13
(d)	Net gain on derecognition of financial instruments under amortised cost category		54.96	126.55
(e)	Sale of services		18.50	25.90
	Total Revenue from Operations		1,242.97	1,112.77
II	Other Income	17	7.24	1.01
III	Total Income (I + II)		1,250.21	1,113.78
IV	Expenses			
(a)	Finance Costs	18	341.14	268.28
(b)	Fees and commission expense	19	49.48	51.18
(c)	Impairment on financial instruments	20	26.61	23.69
(d)	Employee Benefit Expenses	21	111.70	83.38
(e)	Depreciation and Amortization Expense	7	0.22	0.22
(f)	Other Expenses	22	101.17	129.04
	Total Expense		630.31	555.79
V	Profit / (loss) before exceptional items and tax (III-IV)		619.90	558.00
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		619.90	558.00
VIII	Tax Expense:			
(a)	Current Tax		146.51	179.96
(b)	Tax of earlier year		16.86	(4.61)
(c)	Deferred Tax		14.08	(35.36)
			177.46	140.00
IX	Profit (Loss) for the period (VII-VIII)		442.44	418.00
X	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss			
(i)	Gain/(Loss) on sale of Investments		-	-
(ii)	Fair value changes of equity instruments through other comprehensive income		-	-
			-	-
XI	Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		442.44	418.00
XII	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):			
	Basic (Rs.)	23	4.08	3.85
	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, April 29, 2022

Ankur Agrawal
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Mumbai, April 29, 2022

Apeksha Kadam
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DIN : 08878724

Sneha Mandelia
Company Secretary

COMFORT FINCAP LIMITED

Annual Report 2021-2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year	619.90	558.00
Adjustments for :		
Interest Paid	341.14	268.28
Depreciation	0.22	0.22
Profit/(loss) from Sale of Equity Instruments held for trading	-	(90.60)
Change in Fair Value of Current Investments	(54.96)	(35.95)
Impairment on Financial Instruments	26.61	23.69
Operating Profit before Working Capital change	932.90	723.63
Adjustments for :		
Adjustments for (increase) / decrease in operating assets:		
Inventories		
Trade receivables	(1.08)	(4.14)
Loans	(2,077.62)	(1,917.48)
Other financial assets	1.82	(1.14)
Other current assets		
Other non-financial assets	(97.78)	(1,922.76)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(23.56)	36.74
Other financial liabilities	1.27	14.29
Short-term provisions	-	-
Long-term provisions	(22.28)	51.03
Cash Generated From Operations	(1,264.04)	(1,148.10)
Income Tax paid	237.39	162.87
NET CASH FROM OPERATING ACTIVITIES Total (A)	(1,501.43)	(1,310.97)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments (Purchased)/Sold	-	410.64
Fixed Assets (Purchased)/Sold	-	410.64
NET CASH USED IN INVESTING ACTIVITIES Total (B)	-	410.64
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Capital		
Dividend Paid	-	-
Loan taken / (Repaid) in Secured Loan	2,040.75	1,168.26
Interest paid	(341.14)	(268.28)
NET CASH FROM FINANCING ACTIVITIES Total (C)	1,699.61	899.99
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	198.19	(0.34)
Cash and Cash Equivalents -- Opening Balance	26.06	26.40
Cash and Cash Equivalents -- Closing Balance	224.25	26.06

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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	Amount(Rs.)
As at 1 April, 2020	1,085
Changes in equity share capital	-
As at 31 March, 2021	1,085
Changes in equity share capital	-
As at 31 March, 2022	1,085

B. Other Equity

(Rs. in Lakhs)

Particulars	Other Equity					
	Reserve and Surplus				Other Comprehensive Income	Total other Equity
	Share Premium	Impairment Reserve	Special Reserve	Retained Earnings		
As at 1st April, 2020	809.20	-	332.55	1,445.82	(16.19)	2,571.38
Total Comprehensive Income for the year	-		-	418.00	-	418.00
Transfer from Retained Earnings	-	25.00	83.60		-	108.60
Transfer to Special Reserve	-			(83.60)	-	(83.60)
Transfer to Impairment Reserve	-		-	(25.00)	-	(25.00)
As at 31st March, 2021	809.20	25.00	416.15	1,755.22	(16.19)	2,989.37
Total Comprehensive Income for the year	-		-	442.44	-	442.44
Transfer from Profit and Loss	-		88.49		-	88.49
Transfer to Special Reserve	-			(88.49)	-	(88.49)
Transfer to Retained Earnings	-	(25.00)	-	-	-	(25.00)
Transfer from Impairment Reserve				25.00		25.00
As at 31st March, 2022	809.20	-	504.64	2,134.17	(16.19)	3,431.81

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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**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 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. Non-current assets held for sale :

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

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. 24 and note no. 25.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash & Cash Equivalents		
(a) Balances with Banks :		
- Current Accounts	213.84	15.27
- Deposits (under lien with banks)*	10.00	25.27
(b) Cash-in-hand	0.40	0.79
TOTAL	224.25	26.06

Note 3 - Trade Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Undisputed Trade receivables*	5.40	4.32
Disputed Trade receivables	-	-
TOTAL	5.40	4.32

*Refer note no. 28 for Trade receivable ageing schedule

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 4 - Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
At amortised cost				
i) Advances Considered good & in respect of which Company is fully secured	8,089.72		4,495.91	
Less: Impairment loss allowance	(32.42)	8,057.30	(18.03)	4,477.88
ii) Advances Considered good for which Company holds no Security other than personal security	808.35		2,254.54	
Less: Impairment loss allowance	(3.23)	805.12	(9.02)	2,245.52
iii) Sub-Standard Advances in respect of which Company is;				
Secured	30.00		-	
Less: Impairment loss allowance	(3.00)	27.00	-	-
iv) Doubtful Advances in respect of which Company is;				
Secured	200.00		300.00	
Un-Secured	50.00		50.00	
Less: Impairment loss allowance	(110.00)	140.00	(95.00)	255.00
TOTAL		9,029.41		6,978.40

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

(Rs. in Lakhs)

Particulars	Amount Outstanding as at March 31, 2022	Percentage to the total loans and advances in the nature of loans	Amount Outstanding as at March 31, 2021	Percentage to the total loans and advances in the nature of loans
a) Amounts repayable on demand				
Promoters	137.99	0.02	322.28	0.05
Directors	-	-	-	-
Key managerial personnel	2,747.31	0.30	1,718.06	0.24
Other related parties	729.53	0.08	57.86	0.01

Note 5 - Investments

(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
At Fair Value through Profit and Loss Account		
In Equity Instruments	136.34	81.38
At Cost		
<u>In Equity Shares of Associate Companies - Unquoted Fully paid-up</u>		
2,20,000 (March 2021 - 2,20,000) equity shares of Lemonade Share & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	220.00	220.00
<u>In Equity Shares of Other Companies - Unquoted Fully paid-up</u>		
2,00,000 (March 2021 - 2,00,000) equity shares of Liquors India Limited (F.V. Rs. 10/- each)	26.00	26.00
TOTAL	382.34	327.38

Note 6 - Other Financial Assets

(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
(a) Prepaid Expenses	0.04	0.23
(b) Other Advances	1.18	2.82
TOTAL	1.22	3.04

Note : 7 Property, plant and equipment

(Rs. in Lakhs)										
Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2021	Additions	Disposals	Balance as at 31 March, 2022	Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2022	Balance as at 31 March, 2022	Balance as at 31 March, 2021
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10.38	-	-	10.38	10.38	-	-	10.38	-	-
Air Condition	2.23	-	-	2.23	0.71	0.22	-	0.93	1.30	1.52
Total	12.61	-	-	12.61	11.10	0.22	-	11.32	1.30	1.52
Previous year	12.61	-	-	12.61	10.87	0.22	-	11.10	1.52	1.74

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 8 - Other non-financial assets - Others

	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund receivable	-	9.58
TOTAL	-	9.58

Note 9 - Non Current Asset

	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Asset held for sale*	107.36	-
TOTAL	107.36	-

* The above asset was acquired in satisfaction claim on account of secured loans which was not being recovered. The intention of the Company is to sell the same in the near future.

Note 10 - Trade Payables

	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	25.53	49.08
TOTAL	25.53	49.08

*Refer note no. 31 for Trade payables ageing schedule

Note 11 - Borrowings

	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
(a) Loans repayable on demand		
From banks		
Secured*	133.87	134.96
Unsecured	-	-
* Secured loans are lien on FDR kept with bank.		
(b) Loans and advances from Others		
Secured**	3,420.74	1,055.65
Unsecured	1,552.70	1,875.95
** Secured loans are taken on securities held by the Company.		
TOTAL	5,107.31	3,066.56

Note 12 - Other financial Liabilities
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables	37.48	35.05
Un-paid Dividend	13.39	14.55
TOTAL	50.88	49.60

Note 13 - Current Tax Liabilities (net)
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Taxation (net of Advance tax & TDS)	26.18	100.19
TOTAL	26.18	100.19

Note 14 - Deferred Tax Liabilities (net)
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities/(Assets) relates to the following		
Depreciation and amortisation	(0.42)	(0.50)
Unrealised net gain on fair value changes	24.87	10.86
TOTAL	24.45	10.36

Note 15 -Equity Share Capital
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised :		
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	1,500.00	1,500.00
TOTAL	1,500.00	1,500.00
Issued and Subscribed :		
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	1,085.13	1,085.13
TOTAL	1,085.13	1,085.13
Subscribed and Paid-up :		
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	1,085.13	1,085.13
TOTAL	1,085.13	1,085.13

COMFORT FINCAP LIMITED

Annual Report 2021-2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning of the year	1,08,51,300	1,08,51,300
Add: Issue of Shares during the year		
Number of shares allotted as fully paid-up during the year	-	-
	-	-
No. of shares at the end of the year	1,08,51,300	1,08,51,300

(b) Terms/rights attached to equity shares.

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

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

No. of Shares held by	As at March 31, 2022		As at March 31, 2021	
	No. of Shares (in Lacs)	%	No. of Shares (in Lacs)	%
Luharuka Commotrade Pvt Ltd	42.23	38.92%	38.11	35.12%
Anil Agarwal HUF	11.64	10.73%	11.64	10.73%

(d) Details of Shares in the company held by each promoter as at the end of the year at March 31, 2022

Promoters Name	As at March 31, 2022		% Change during the Year
	No. of Shares (in Lacs)	%	
Anil Agrawal HUF	11.64	10.73	0
Luharuka Sales & Services Private Limited	5.41	4.98	0
Luharuka Commotrade Private Limited	42.23	38.92	3.8

Details of Shares in the company held by each promoter as at the end of the year at March 31, 2021

Promoters Name	As at March 31, 2021		% Change during the Year
	No. of Shares (in Lacs)	%	
Anil Agrawal HUF	11.64	10.73	0
Luharuka Sales & Services Private Limited	5.41	4.98	0
Luharuka Commotrade Private Limited	38.11	35.12	0

Note 16 - Revenue from Operations

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) <u>Interest Income</u>		
From Loans & Advances	1,135.87	934.47
From Term deposits	0.54	0.60
	1,136.41	935.07
(b) Dividend Income	1.39	2.11
(c) <u>Fees and Commission</u>		
Loan Processing Fee received	31.71	23.13
(d) <u>Net Gain on Fair Value Changes</u>		
Profit/(loss) from Sale of Equity Instruments held for trading	-	90.60
Change in Fair Value of Equity Instruments held for trading	54.96	35.95
	54.96	126.55
(e) <u>Sale of Services</u>		
Financial Advisory & Consultancy	18.50	25.90
TOTAL	1,242.97	1,112.77

Note 17 - Other Income

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other Misc. income	1.24	1.01
Bad Debts recovered	6.00	-
TOTAL	7.24	1.01

Note 18 - Financial Costs

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	341.14	268.28
TOTAL	341.14	268.28

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 19 - Fees and commission expense**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commission Expenses	49.48	51.18
TOTAL	49.48	51.18

Note 20 - Impairment on financial instruments**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Advances	26.61	23.69
TOTAL	26.61	23.69

Note 21 - Employment Benefit Expenses**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries , Bonus & Allowances	107.34	79.50
PF Expenses	1.33	1.12
Staff Insurance Expenses	0.62	0.49
Staff Welfare Expenses	2.41	2.27
TOTAL	111.70	83.38

Note 22 - Other Expenses**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Expenses	1.36	0.45
Annual Listing fees	3.27	3.57
Bad-Debts	2.34	50.38
Business promotion expenses	0.65	5.20
Expense towards Corporate Social Responsibility (Refer Note 34)	7.50	-
Custodial Fees	1.03	1.17
Director's Sitting Fees	2.56	3.16
Insurance Expenses	0.06	0.07
Legal, Professional & Technical Charges	36.31	23.11
Miscellaneous Expenses	11.39	8.76
Penalty Expenses	0.38	2.15

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Printing, Postage & Stationery Expenses	1.77	1.94
Professional Tax	0.03	0.03
Payments to Auditors :		
- Audit & Tax Audit fees	3.25	2.98
- For Other Services	-	-
Travelling & Conveyance Expenses	20.21	14.54
Telephone Expenses	1.24	1.65
Repairs & Maintenance Expenses	1.63	1.71
Rent Expenses	6.00	6.00
Share Trading Expense	0.19	2.18
TOTAL	101.17	129.04

Note 23 - Earnings Per Equity Share

			(Rs. in Lakhs)
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	
(a) Net profit after tax attributable to equity shareholders for Basic EPS	442.44	418.00	
Add/Less: Adjustment relating to potential equity shares	-	-	418.00
Net profit after tax attributable to equity shareholders for Diluted EPS	442.44	418.00	
(b) Weighted average no. of equity shares outstanding during the year For Basic EPS	108.51	108.51	
(c) Face Value per Equity Share (Rs.)	10.00	10.00	
Basic EPS	4.08	3.85	

Note 24- 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. 25) 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 25- 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 2022

(Rs. in Lakhs)

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	31-03-2022	136.34	-	-	136.34
Equity instrument classified under FVOCI	31-03-2022	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021
(Rs. in Lakhs)

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	81.38	-	-	81.38
Equity instrument classified under FVOCI	31-03-2021	-	-	-	-

Fair Value of Financial Instruments not measured at fair value as at 31 March 2022
(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	224.25	224.25	-	-	224.25
Receivables					
i) Trade Receivables	5.40	-	-	5.40	5.40
ii) Other Receivables	-	-	-	-	-
Loans	9,029.41	-	-	9,029.41	9,029.41
Investments	246.00	-	-	246.00	246.00
Other Financial assets (to be specified)	1.22	-	-	1.22	1.22
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and	-				
-total outstanding dues of creditors other than micro enterprises and small enterprises	25.53	-	-	25.53	25.53
(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	5,107.31	-	-	5,107.31	5,107.31
Other financial liabilities	50.88	-	-	50.88	50.88

COMFORT FINCAP LIMITED

Annual Report 2021-2022

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

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	26.06	26.06	-	-	26.06
Receivables					
i) Trade Receivables	4.32	-	-	4.32	4.32
ii) Other Receivables	-	-	-	-	-
Loans	6,978.40	-	-	6,978.40	6,978.40
Investments	246.00	-	-	246.00	246.00
Other Financial assets (to be specified)	3.04	-	-	3.04	3.04
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and	-				
-total outstanding dues of creditors other than micro enterprises and small enterprises	49.08	-	-	49.08	49.08
(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	3,066.56	-	-	3,066.56	3,066.56
Other financial liabilities	49.60	-	-	49.60	49.60

26. Contingent Liabilities and Commitments

(Rs. In Lakhs)

Particulars	2021-2022	2020-2021
i) Contingent Liabilities	-	-
ii) Commitments	-	-

27. Auditors' Remuneration

(Rs. In Lakhs)

Particulars	2021-2022	2020-2021
For Statutory Audit	2.40	2.25
For Tax Audit	0.60	0.50
Total	3.00	2.75

28. Trade Receivables Ageing Schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	5.40 (4.32)	- -	- -	- -	- -	5.40 (4.32)
(ii) Undisputed Trade receivables - which have significant increase in risk	- -	- -	- -	- -	- -	- -
(iii) Undisputed Trade receivables - credit impaired	- -	- -	- -	- -	- -	- -
(iv) Disputed Trade receivables - Considered good	- -	- -	- -	- -	- -	- -
(v) Disputed Trade receivables - which have significant increase in risk	- -	- -	- -	- -	- -	- -
(vi) Disputed Trade receivables - credit impaired	- -	- -	- -	- -	- -	- -
Total	5.40 (4.32)	-	-	-	-	5.40 (4.32)

Figure in bracket relates to previous year.

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:-

(Rs. in Lakhs)

Particulars	2021-2022	2020-2021
Secured against Immovable Property	344.58	780.05
Secured against Shares	7,306.14	3,778.23
Secured against bill discounting	655.43	529.13

Note 29.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 2022

(Rs. in Lakhs)						
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)
Performing Assets						
Standard	Stage 1	8,898.07	35.66	8,862.41	35.66	-
	Stage 2	-	-	-	-	-
Subtotal		8,898.07	35.66	8,862.41	35.66	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	30.00	3.00	27.00	3.00	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	250.00	110.00	140.00	110.00	-
More than 3 years	Stage 3	-	-	-	-	-
Sub total for doubtful		280.00	113.00	167.00	113.00	-
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	8,898.07	35.66	8,862.41	35.66	-
	Stage 2	-	-	-	-	-
	Stage 3	280.00	113.00	167.00	113.00	-
	Total	9,178.07	148.66	9,029.41	148.66	-

c. The below table depicts classification of Overdue loans outstanding as on 31 March 2022.

(Rs. in Lakhs)

Sr No	Type of Assets	Overdue Account Count	Principle Overdue Amount	Interest Overdue Amount
1	Standard Asset	1	-	30.00
2	Sub Standard Asset	1	30.00	8.24
3	Doubtful Asset	1	250.00	67.84

30. Foreign Currency Transactions:

The unhedged foreign currency exposure as on 31st March, 2022 is Rs. Nil (Previous year Rs. Nil).

Foreign Exchange earnings - Nil (Nil)

Foreign Exchange outgo - Nil (Nil)

31. Trade Payables Ageing Schedule

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	16.28 (39.83)	9.25 (9.25)	-	-	25.53 (49.08)
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	16.28 (39.83)	9.25 (9.25)	-	-	25.53 (49.08)

Figure in bracket relates to previous year.

32. There are no dues to Micro and Small Enterprises as at 31st March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

33. Corporate Social Responsibility : - As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Companies Act, 2013. The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society at large. The Company's CSR activity primarily focuses on programs that promote education, gender equality empowering women and development of rural areas.

COMFORT FINCAP LIMITED

Annual Report 2021-2022

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
i) Amount required to be spent by the company during the year	7.23	-
ii) Amount of expenditure incurred	7.50	-
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Details of related party transactions	Refer note no. 34	

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

A. Name of the related parties & description of relationship

- | | | |
|--|---|--|
| a) Key Managerial Personnel | : | Mr. Ankur Agrawal (Director)
Mr. Devendra Lal Thakur (Director)
Mr. Milin Ramani (Director)
Mrs. Apeksha Kadam (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) |
| 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
Seth Govindram Charitable Trust |

B. Transactions during the year with related parties:-
(Rs. in Lakhs)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
1	i) Loan Given			
	Comfort Securities Ltd.	-	-	2,990.00 (307.00)
	Deepika Agrawal	-	1,388.00 (508.10)	-
	Luharuka Commotrade Pvt. Ltd.	-	50.00 (20.83)	-
	Luharuka Sales & Services Pvt. Ltd	-	2.00 (28.10)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	71.50 (116.75)
	Flora Fountain properties Ltd.	-	-	155.00 (2,635.00)
	Luharuka Exports Pvt. Ltd.	-	-	10.00 (32.00)
	Comfort Commotrade Ltd	-	-	1,895.00 (620.00)
	ii) Loan Received Back			
	Comfort Capital Pvt. Ltd.	-	-	- (35.00)
	Flora Fountain properties Ltd.	-	-	1,560.00 (1,230.00)
	Luharuka Sales & Services Pvt. Ltd	-	214.40 (100.00)	-
	Comfort Securities Ltd	-	-	1,570.00 (307.00)
	Deepika Agrawal	-	726.00 796.00	-
	Luharuka Commotrade Pvt. Ltd.	-	27.00 (81.00)	-
	Luharuka Exports Pvt. Ltd.	-	-	10.00 (32.00)
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	43.48 (395.90)
	Comfort Commotrade Ltd.	-	-	925.00 (345.00)

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
2	i) Loan taken			
	Comfort Commotrade Ltd	-	-	245.00 (450.00)
	Comfort Intech Limited	-	-	1,015.00 (1,475.00)
	ii) Loan Repaid			
	Comfort Commotrade Ltd	-	-	245.00 (450.00)
	Comfort Intech Limited	-	-	1,540.00 (935.00)
3	Security deposit received back			
	Annu Agrawal	-	- (1.30)	- -
4	Income			
	Comfort Capital Pvt. Ltd.	-	-	- (1.43)
	Deepika Agrawal	-	45.13 (38.04)	- -
	Luharuka Commotrade Pvt. Ltd.	-	1.50 (9.10)	- -
	Luharuka Sales & Services Pvt. Ltd	-	32.39 (47.27)	- -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2.94 (23.68)
	Flora Fountain properties Ltd.	-	-	92.40 (87.54)
	Comfort Securities Ltd	-	-	36.48 (2.29)
	Comfort Commotrade Ltd	-	-	23.44 (5.68)
	Luharuka Exports Pvt. Ltd.	-	-	0.05 (0.52)
5	Expenses			
	Demat Charges Paid			
	Comfort Securities Limited	-	-	0.03 -
	Brokerage Paid			
	Comfort Securities Limited	-	-	0.76 (0.98)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Office Rent Paid			
	Anil Agrawal –HUF	-	6.00	-
		-	(5.00)	-
	Annu Agrawal	-	-	-
		-	(1.00)	-
	Remuneration			
	Bharat Shiroya	26.00	-	-
		(26.00)	-	-
	Nirmala H Kanjar	11.11	-	-
		(9.73)	-	-
	Deepika Agrawal	-	12.00	-
		-	(12.00)	-
	Ankur Agrawal	33.00	-	-
		(5.50)	-	-
	Sneha Mandelia	4.03	-	-
		(2.59)	-	-
	Interest Paid			
	Comfort Intech Limited	-	-	149.76
		-	-	(142.16)
	Comfort Commotrade Limited	-	-	2.08
		-	-	(13.16)
	Director Sitting fee Paid			
	Devendra Lal Thakur	0.70	-	-
		(0.65)	-	-
	Milin Ramani	0.75	-	-
		(0.80)	-	-
	Ankur Agrawal	0.60	-	-
		(0.65)	-	-
	Divya Padhiya	-	-	-
		(0.80)	-	-
	Apeksha Kadam	0.30	-	-
		-	-	-
	Corporate Social Responsibility (CSR)			
	Seth Govindram Charitable Trust	-	-	7.50
		-	-	-
	Amount outstanding as at Balance Sheet date			
	Loan Given			
	Flora Fountain Properties Ltd.	-	-	-
				(1,428.04)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Deepika Agrawal	-	729.53 (57.86)	-
	Luharuka Sales & Services Pvt. Ltd.	-	114.99 (322.28)	-
	Luharuka Commotrade Pvt. Ltd.	-	23.00 -	- -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	38.85 (9.76)
	Comfort Commotrade Ltd.	-	-	1,260.94 (280.25)
	Comfort Securities Ltd.	-	-	1,447.52 -
	Loan taken			
	Comfort Intech Limited	-	-	883.23 (1,412.10)

Figure in bracket relates to previous year.

35. 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.
36. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as
- Title Deeds of Immovable Property not held in name of Company: Title deeds of immovable property are held in the name of the Company
 - Disclosure on Revaluation of Assets: The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
 - Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
 - Borrowings against current assets: The returns or statements submitted by the company to lenders are in agreement with books of accounts. There are no material discrepancies observed in returns or statements submitted by the company to lenders.
 - Wilful defaulter: The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - Relationship with struck off companies : The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

- g. Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. Utilisation of borrowed funds and share premium: The Company has not received securities premium through issue of equity and preference shares during the year ended March 31, 2022, and year ended March 31, 2021. There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.
- j. Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- l. Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

37. Analytical Ratios

SN	Particulars	Numerator	Denominator	2021-22	2020-21
(a)	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR+ Tier II CRAR	Risk Weighted Assets	15.92%	26.38%
(b)	Tier I CRAR	Tier I	Risk Weighted Assets	15.62%	26.06%
(c)	Tier II CRAR	Tier II	Risk Weighted Assets	0.30%	0.32%

“Tier I Capital” means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

“Owned Fund” means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier II capital” includes the following –

- (a) preference shares other than those which are compulsorily convertible into equity;
- (b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

38. The Previous year's 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

Ankur Agrawal

Director
DIN: 06408167

Apeksha Kadam

Director
DIN: 08878724

A. R. Sodha

Partner
M.No.-031878
Mumbai, April 29, 2022

Nirmala Kanjar

Chief Financial Officer

Mumbai, April 29, 2022

Sneha Mandelia

Company Secretary

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, 2022, 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, 2022, 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 profit/(loss) of Rs (0.04) Lakhs for the year ended 31st March, 2022, 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

1. (A) 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, 2022 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 or none of the disqualified as on March 31, 2022 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) 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 26 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (a) and (iv) (b) contain any misstatement.

v. According to information and explanation given to us, the Holding Company has not declared any dividend during the year in terms of provision of section 123 of Companies Act, 2013.

(C) With respect to the matter to be included in the Auditor's Report under Section 197 (16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by the respective auditor of its associate included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

A.R. Sodha
Partner
M No.031878
Place: Mumbai
Date: 29th April, 2022
UDIN: 22031878AIBPUA8585

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, 2022, 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, 2022, 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: 29th April, 2022
UDIN: 22031878AIBPUA85858i

COMFORT FINCAP LIMITED

Annual Report 2021-2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	2	224.25	26.06
(b) Receivables			
i) Trade Receivables	3	5.40	4.32
ii) Other Receivables		-	-
(c) Loans	4	9,029.41	6,978.40
(d) Investments	5	385.35	330.42
(e) Other Financial assets (to be specified)	6	1.22	3.04
		9,645.63	7,342.25
(2) Non-Financial Assets			
(a) Property, plant and equipment	7	1.30	1.52
(b) Other non-financial assets			
Asset held for sale	8	107.36	-
Others	9	-	9.58
		108.66	11.10
TOTAL ASSETS		9,754.29	7,353.35
II LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables			
-total outstanding dues of micro enterprises and small enterprises; and		-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	10	25.53	49.08
(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	11	5,107.31	3,066.56
(b) Other financial liabilities	12	50.88	49.60
		5,183.71	3,165.25
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	13	26.18	100.19
(c) Deferred tax liabilities (Net)	14	24.45	10.36
		50.63	110.55
(3) EQUITY			
(a) Equity Share capital	15	1,085.13	1,085.13
(b) Other Equity*		3,434.82	2,992.42
		4,519.95	4,077.55
TOTAL EQUITY AND LIABILITIES		9,754.29	7,353.35
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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	16		
(a)	Interest Income		1,136.41	935.07
(b)	Dividend Income		1.39	2.11
(c)	Fees and commission Income		31.71	23.13
(d)	Net gain on derecognition of financial instruments under amortised cost category		54.96	126.55
(e)	Sale of services		18.50	25.90
	Total Revenue from Operations		1,242.97	1,112.77
II	Other Income	17	7.24	1.01
III	Total Income (I + II)		1,250.21	1,113.78
IV	Expenses			
(a)	Finance Costs	18	341.14	268.28
(b)	Fees and commission expense	19	49.48	51.18
(c)	Impairment on financial instruments	20	26.61	23.69
(d)	Employee Benefit Expenses	21	111.70	83.38
(e)	Depreciation and Amortization Expense	7	0.22	0.22
(f)	Other Expenses	22	101.17	129.04
	Total Expense		630.31	555.79
V	Profit / (loss) before exceptional items and tax (III -IV)		619.90	558.00
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		619.90	558.00
VIII	Tax Expense:			
(a)	Current Tax		146.51	179.96
(b)	Tax of earlier year		16.86	(4.61)
(c)	Deferred Tax		14.08	(35.36)
			177.46	140.00
IX	Profit (Loss) for the period (VII-VIII)		442.44	418.00
X	Add : Share of (Profit)/Loss of Associate		(0.04)	0.01
XI	Profit for the Period (after adjustment for Associate (IX + X))		442.40	418.01
XII	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
(i)	Gain/(Loss) on sale of Investments		-	-
(ii)	Fair value changes of equity instruments through other comprehensive income		-	-
XIII	Total Comprehensive Income for the period (IX+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		442.40	418.01
XIV	Earnings Per Equity Share (Face Value Rs. 10/- Per Share):	23	4.08	3.85
	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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

COMFORT FINCAP LIMITED

Annual Report 2021-2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax for the year	619.90	558.00
Adjustments for :		
Interest Paid	341.14	268.28
Depreciation	0.22	0.22
Profit/(loss) from Sale of Equity Instruments held for trading	-	(90.60)
Change in Fair Value of Current Investments	(54.96)	(35.95)
Impairment on Financial Instruments	26.61	23.69
Operating Profit before Working Capital change	932.90	723.63
Adjustments for :		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories		
Trade receivables	(1.08)	(4.14)
Loans	(2,077.62)	(1,917.48)
Other financial assets	1.82	(1.14)
Other current assets		
Other non-financial assets	(97.78)	-
	(2,174.66)	(1,922.76)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(23.56)	36.74
Other financial liabilities	1.27	14.29
Short-term provisions	-	-
Long-term provisions	-	(22.28)
	(22.28)	51.03
Cash Generated From Operations	(1,264.04)	(1,148.10)
Income Tax paid	237.39	162.87
NET CASH FROM OPERATING ACTIVITIES Total (A)	(1,501.43)	(1,310.97)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments (Purchased)/Sold	-	410.64
Fixed Assets (Purchased)/Sold	-	-
	-	410.64
NET CASH USED IN INVESTING ACTIVITIES Total (B)	-	410.64
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Capital		
Dividend Paid	-	-
Loan taken / (Repaid) in Secured Loan	2,040.75	1,168.26
Interest paid	(341.14)	(268.28)
NET CASH FROM FINANCING ACTIVITIES Total (C)	1,699.61	899.99
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	198.19	(0.34)
Cash and Cash Equivalents -- Opening Balance	26.06	26.40
Cash and Cash Equivalents -- Closing Balance	<u>224.25</u>	<u>26.06</u>

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, April 29, 2022

Ankur Agrawal
Director
DIN : 06408167

Nirmala Kanjar
Chief Financial Officer
Mumbai, April 29, 2022

Apeksha Kadam
Director
DIN : 08878724

Sneha Mandelia
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	Amount(Rs.)
As at 1 April, 2020	1,085
Changes in equity share capital	-
As at 31 March, 2021	1,085
Changes in equity share capital	-
As at 31 March, 2022	1,085

B. Other Equity

(Rs. in Lakhs)

Particulars	Other Equity					Total other Equity
	Reserve and Surplus				Other Comprehensive Income	
	Share Premium	Impairment Reserve	Special Reserve	Retained Earnings		
As at 1st April, 2020	809.20	-	332.55	1,448.85	(16.19)	2,574.41
Total Comprehensive Income for the year	-		-	418.01	-	418.01
Transfer from Retained Earnings	-	25.00	83.60		-	108.60
Transfer to Special Reserve	-			(83.60)	-	(83.60)
Transfer to Impairment Reserve	-		-	(25.00)	-	(25.00)
As at 31st March, 2021	809.20	25.00	416.15	1,758.26	(16.19)	2,992.42
Total Comprehensive Income for the year	-		-	442.40	-	442.40
Transfer from Profit and Loss	-		88.69		-	88.69
Transfer to Special Reserve	-			(88.69)	-	(88.69)
Transfer to Retained Earnings	-	(25.00)	-	-	-	(25.00)
Transfer from Impairment Reserve				25.00		25.00
As at 31st March, 2022	809.20	-	504.83	2,136.98	(16.19)	3,434.82

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, April 29, 2022

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar

Chief Financial Officer

Mumbai, April 29, 2022

Apeksha Kadam

Director
DIN : 08878724

Sneha Mandelia

Company Secretary

Consolidated Notes to financial statements for the year ended March 31, 2022**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 2022 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. 2021-2022	F.Y. 2020-2021
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. Non-current assets held for sale :

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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. 24 and note no. 25.

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

(Rs. in Lakhs)				
Particulars	As at March 31, 2022		As at March 31, 2021	
Cash & Cash Equivalents				
(a) Balances with Banks :				
- Current Accounts	213.84		15.27	
- Deposits (under lien with banks)*	10.00	223.84	10.00	25.27
(b) Cash-in-hand		0.40		0.79
TOTAL		224.25		26.06

Note 3 - Trade Receivables

(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Undisputed Trade receivables*	5.40	4.32
Disputed Trade receivables	-	-
TOTAL	5.40	4.32

*Refer note no. 28 for Trade receivable ageing schedule

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 4 - Loans

(Rs. in Lakhs)				
Particulars	As at March 31, 2022		As at March 31, 2021	
i) Advances Considered good & in respect of which Company is fully secured	8,089.72		4,495.91	
Less: Impairment loss allowance	(32.42)	8,057.30	(18.03)	4,477.88
ii) Advances Considered good for which Company holds no Security other than personal security	808.35		2,254.54	
Less: Impairment loss allowance	(3.23)	805.12	(9.02)	2,245.52
iii) Sub-Standard Advances in respect of which Company is;				
Secured	30.00		-	
Less: Impairment loss allowance	(3.00)	27.00	-	-
iv) Doubtful Advances in respect of which Company is;				
Secured	250.00		350.00	
Less: Impairment loss allowance	(110.00)	140.00	(95.00)	255.00
TOTAL		9,029.41		6,978.40

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

(Rs. in Lakhs)				
Particulars	Amount Outstanding as at March 31, 2022	Percentage to the total loans and advances in the nature of loans	Amount Outstanding as at March 31, 2021	Percentage to the total loans and advances in the nature of loans
a) Amounts repayable on demand				
Promoters	137.99	0.02	322.28	0.05
Directors	-	-	-	-
Key managerial personnel	2,747.31	0.30	1,718.06	0.24
Other related parties	729.53	0.08	57.86	0.01

Note 5 - Investments

(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
At Fair Value through Profit and Loss Account		
In Equity Instruments	136.34	81.38
At Fair Value through Other Comprehensive Income		
At Cost		
<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 & Securities Pvt. Ltd. (F.V. Rs. 10/- each)	223.01	223.05
<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	26.00
TOTAL	385.35	330.42

Note 6 - Other Financial Assets
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Prepaid Expenses	0.04	0.23
(b) Other Advances	1.18	2.82
TOTAL	1.22	3.04

Note : 7 Property, plant and equipment
(Rs. In Lakhs)

Tangible assets	Gross block			Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2021	Additions	Disposals	Balance as at 31 March, 2022	Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Other adjustments	Balance as at 31 March, 2022	Balance as at 31 March, 2022	Balance as at 31 March, 2021
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Motor Vehicle	10.38	-	-	10.38	10.38	-	-	10.38	-	-
Air Condition	2.23	-	-	2.23	0.71	0.22	-	0.93	1.30	1.52
Total	12.61	-	-	12.61	11.10	0.22	-	11.32	1.30	1.52
Previous year	12.61	-	-	12.61	10.87	0.22	-	11.10	1.52	1.74

Note 8 - Other non-financial assets
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Asset held for sale	107.36	-
TOTAL	107.36	-

* The above asset was acquired in satisfaction claim on account of secured loans which was not being recovered. The intention of the Company is to sell the same in the near future.

Note 9 - Other non-financial assets - Others
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund receivable	-	9.58
TOTAL	-	9.58

Note 10 - Trade Payables
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	25.53	49.08
TOTAL	25.53	49.08

*Refer note no. 31 for Trade payables ageing schedule

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 11 - Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
At Amortised Cost				
(a) Loans repayable on demand				
From banks				
Secured*	133.87		134.96	
Unsecured	-	133.87	-	134.96
* Secured loans are lien on FDR kept with bank.				
(b) Loans and advances from Others				
Secured**	3,420.74		1,055.65	
Unsecured	1,552.70	4,973.44	1,875.95	2,931.60
** Secured loans are taken on securities held by the Company.				
TOTAL		5,107.31		3,066.56

Note 12 - Other financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables	37.48	35.05
Un-paid Dividend	13.39	14.55
TOTAL	50.88	49.60

Note 13 - Current Tax Liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Taxation (net of Advance tax & TDS)	26.18	100.19
TOTAL	26.18	100.19

Note 14 - Deferred Tax Liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
<u>Deferred Tax Liabilites/(Assets) relates to the following</u>				
Depreciation and amortisation	(0.42)		(0.50)	
Unrealised net gain on fair value changes	24.87	24.45	10.86	10.36
TOTAL		24.45		10.36

Note 15 -Equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised :		
1,50,00,000 Equity Shares (Previous Year 1,50,00,000) of Rs. 10/- each	1,500.00	1,500.00
TOTAL	1,500.00	1,500.00
Issued and Subscribed :		
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	1,085.13	1,085.13
TOTAL	1,085.13	1,085.13
Subscribed and Paid-up :		
1,08,51,300 Equity Shares (Previous Year 1,08,51,300) of Rs. 10/- each	1,085.13	1,085.13
TOTAL	1,085.13	1,085.13

(a) 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.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning of the year	1,08,51,300	1,08,51,300
Add: Issue of Shares during the year	-	-
Number of shares allotted as fully paid-up during the year	-	-
No. of shares at the end of the year	1,08,51,300	1,08,51,300

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

No. of Shares held by	As at March 31, 2022		As at March 31, 2021	
	No. of Shares (in Lacs)	%	No. of Shares (in Lacs)	%
Luharuka Commotrade Pvt Ltd	42.23	38.92%	38.11	35.12%
Anil Agarwal HUF	11.64	10.73%	11.64	10.73%

COMFORT FINCAP LIMITED

Annual Report 2021-2022

(d) Details of Shares in the company held by each promoter as at the end of the year at March 31, 2022

Promoters Name	As at March 31, 2022		% Change during the Year
	No. of Shares (in Lacs)	%	
Anil Agrawal HUF	11.64	10.73	0
Luharuka Sales & Services Private Limited	5.41	4.98	0
Luharuka Commotrade Private Limited	42.23	38.92	3.8

Details of Shares in the company held by each promoter as at the end of the year at March 31, 2021

Promoters Name	As at March 31, 2021		% Change during the Year
	No. of Shares (in Lacs)	%	
Anil Agrawal HUF	11.64	10.73	0
Luharuka Sales & Services Private Limited	5.41	4.98	0
Luharuka Commotrade Private Limited	38.11	35.12	0

Note 16 - Revenue from Operations**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) <u>Interest Income</u>		
From Loans & Advances	1,135.87	934.47
From Term deposits	0.54	0.60
	1,136.41	935.07
(b) Dividend Income	1.39	2.11
(c) <u>Fees and Commission</u>		
Loan Processing Fee received	31.71	23.13
(d) <u>Net Gain on Fair Value Changes</u>		
Profit/(loss) from Sale of Equity Instruments held for trading	-	90.60
Change in Fair Value of Equity Instruments held for trading	54.96	35.95
	54.96	126.55
(e) <u>Sale of Services</u>		
Financial Advisory & Consultancy	18.50	25.90
TOTAL	1,242.97	1,112.77

Note 17 - Other Income

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other Misc. income	1.24	1.01
Bad Deb recovered	6.00	-
TOTAL	7.24	1.01

Note 18 - Financial Costs

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	341.14	268.28
TOTAL	341.14	268.28

Note 19 - Fees and commission expense

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commission Expenses	49.48	51.18
TOTAL	49.48	51.18

Note 20 - Impairment on financial instruments

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Advances	26.61	23.69
TOTAL	26.61	23.69

Note 21 - Employment Benefit Expenses

(Rs. in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries , Bonus & Allowances	107.34	79.50
PF Expenses	1.33	1.12
Staff Insurance Expenses	0.62	0.49
Staff Welfare Expenses	2.41	2.27
TOTAL	111.70	83.38

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Note 22 - Other Expenses

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement Expenses	1.36	0.45
Annual Listing fees	3.27	3.57
Bad-Debts	2.34	50.38
Business promotion expenses	0.65	5.20
Expense towards Corporate Social Responsibility (Refer Note 34)	7.50	-
Custodial Fees	1.03	1.17
Director's Sitting Fees	2.56	3.16
Insurance Expenses	0.06	0.07
Legal, Professional & Technical Charges	36.31	23.11
Miscellaneous Expenses	11.39	8.76
Penalty Expenses	0.38	2.15
Printing, Postage & Stationery Expenses	1.77	1.94
Professional Tax	0.03	0.03
Payments to Auditors :		
- Audit & Tax Audit fees	3.25	2.98
- For Other Services	-	-
Travelling & Conveyance Expenses	20.21	14.54
Telephone Expenses	1.24	1.65
Repairs & Maintenance Expenses	1.63	1.71
Rent Expenses	6.00	6.00
Share Trading Expense	0.19	2.18
TOTAL	101.17	129.04

Note 23 - Earnings Per Equity Share

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Net profit after tax attributable to equity shareholders for Basic EPS	442.44	418.00
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	442.44	418.00
(b) Weighted average no. of equity shares outstanding during the year For Basic EPS	108.51	108.51
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	4.08	3.85

Note 24- 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. 25) 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 25- 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.

COMFORT FINCAP LIMITED

Annual Report 2021-2022

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 March 31, 2022

(Rs. in Lakhs)

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	31-03-2022	136.34	-	-	136.34
Equity instrument classified under FVOCI	31-03-2022	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2021

(Rs. in Lakhs)

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	81.38	-	-	81.38
Equity instrument classified under FVOCI	31-03-2021	-	-	-	-

Fair Value of Financial Instruments not measured at fair value as at March 31, 2022

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		“Quoted prices in active markets (Level 1)”	“Significant observable inputs (Level 2)”	“Significant unobservable inputs (Level 3)”	
Financial Assets					
Cash and cash equivalents	224.25	224.25	-	-	224.25
Receivables					
i) Trade Receivables	5.40	-	-	5.40	5.40
ii) Other Receivables	-	-	-	-	-
Loans	9,029.41	-	-	9,029.41	9,029.41
Investments	249.01	-	-	249.01	249.01
Other Financial assets (to be specified)	1.22	-	-	1.22	1.22
Financial Liabilities					
Payables					
(i) Trade payables					

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)”	
-total outstanding dues of micro enterprises and small enterprises; and	-				
-total outstanding dues of creditors other than micro enterprises and small enterprises	25.53	-	-	25.53	25.53
(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	5,107.31	-	-	5,107.31	5,107.31
Other financial liabilities	50.88	-	-	50.88	50.88

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

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		“Quoted prices in active markets (Level 1)”	“Significant observable inputs (Level 2)”	“Significant unobservable inputs (Level 3)”	
Financial Assets					
Cash and cash equivalents	26.06	26.06	-	-	26.06
Receivables					
i) Trade Receivables	4.32	-	-	4.32	4.32
ii) Other Receivables	-	-	-	-	-
Loans	6,978.40	-	-	6,978.40	6,978.40
Investments	249.05	-	-	249.05	249.05
Other Financial assets (to be specified)	3.04	-	-	3.04	3.04
Financial Liabilities					
Payables					
(i) Trade payables					
-total outstanding dues of micro enterprises and small enterprises; and	-				
-total outstanding dues of creditors other than micro enterprises and small enterprises	49.08	-	-	49.08	49.08

COMFORT FINCAP LIMITED

Annual Report 2021-2022

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)”	
(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	3,066.56	-	-	3,066.56	3,066.56
Other financial liabilities	49.60	-	-	49.60	49.60

26. Contingent Liabilities and Commitments

(Rs. In Lakhs)

Particulars	2021-2022	2020-2021
i) Contingent Liabilities	-	-
ii) Commitments	-	-

27. Auditors' Remuneration

(Rs. In Lakhs)

Particulars	2021-2022	2020-2021
For Statutory Audit	2.40	2.25
For Tax Audit	0.60	0.50
Total	3.00	2.75

28. Trade Receivables Ageing Schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	5.40 (4.32)	- -	- -	- -	- -	5.40 (4.32)
(ii) Undisputed Trade receivables - which have significant increase in risk	- -	- -	- -	- -	- -	- -
(iii) Undisputed Trade receivables - credit impaired	- -	- -	- -	- -	- -	- -
(iv) Disputed Trade receivables - Considered good	- -	- -	- -	- -	- -	- -
(v) Disputed Trade receivables - which have significant increase in risk	- -	- -	- -	- -	- -	- -
(vi) Disputed Trade receivables - credit impaired	- -	- -	- -	- -	- -	- -
Total	5.40 (4.32)	- -	- -	- -	- -	5.40 (4.32)

Figure in bracket relates to previous year.

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:-

(Rs. in Lakhs)

Particulars	2021-2022 (Rs.)	2020-2021 (Rs.)
Secured against Immovable Property	344.58	780.05
Secured against Shares	7,306.14	3,778.23
Secured against bill discounting	655.43	529.13

Note 29.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 2022

(Rs. In Lakhs)

Asset classification as per RBI Norms	Assetclassification 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)
Performing Assets						
Standard	Stage 1	8,898.07	35.66	8,862.41	35.66	-
	Stage 2					
Subtotal		8,898.07	35.66	8,862.41	35.66	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	30.00	3.00	27.00	3.00	
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	250.00	110.00	140.00	110.00	-
More than 3 years	Stage 3	-				
Subtotal for doubtful		280.00	113.00	167.00	113.00	-
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	8,898.07	35.66	8,862.41	35.66	-
	Stage 2	-	-	-	-	-
	Stage 3	280.00	113.00	167.00	113.00	-
	Total	9,178.07	148.66	9,029.41	148.66	-

c. The below table depicts classification of Overdue loans outstanding as on 31 March 2022.

(Rs. in Lakhs)

Sr No	Type of Assets	Overdue Account Count	Principle Overdue Amount	Interest Overdue Amount
1	Standard Asset	1	-	30.00
2	Sub Standard Asset	1	30.00	8.24
3	Doubtful Asset	1	250.00	67.84

30. Foreign Currency Transactions:

The unhedged foreign currency exposure as on 31st March, 2022 is Rs. Nil (Previous year Rs. Nil).

Foreign Exchange earnings - Nil (Nil)

Foreign Exchange outgo - Nil (Nil)

31. Trade Payables Ageing Schedule

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	- -	- -	- -	- -	- -
Others	16.28 (39.83)	9.25 (9.25)	- -	- -	25.53 (49.08)
Disputed dues - MSME	- -	- -	- -	- -	- -
Disputed dues - Others	- -	- -	- -	- -	- -
Total	16.28 (39.83)	9.25 (9.25)	- -	- -	25.53 (49.08)

Figure in bracket relates to previous year.

32. There are no dues to Micro and Small Enterprises as at 31st March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

33. Corporate Social Responsibility : - As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Companies Act, 2013. The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society at large. The Company's CSR activity primarily focuses on programs that promote education, gender equality empowering women and development of rural areas.

(Rs. in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
i) Amount required to be spent by the company during the year	7.23	-
ii) Amount of expenditure incurred	7.50	-
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Details of related party transactions	Refer note no. 34	

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

A. Name of the related parties & description of relationship

- a) Key Managerial Personnel : Mr. Ankur Agrawal (Director)
Mr. Devendra Lal Thakur (Director)
Mr. Milin Ramani (Director)
Mrs. Apeksha Kadam (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)
- 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
Seth Govindram Charitable Trust

COMFORT FINCAP LIMITED

Annual Report 2021-2022

B. Transactions during the year with related parties:-

(Rs. in Lakhs)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
1	i) Loan Given			
	Comfort Securities Ltd.	-	-	2,990.00 (307.00)
	Deepika Agrawal	-	1,388.00 (508.10)	-
	Luharuka Commotrade Pvt. Ltd.	-	50.00 (20.83)	-
	Luharuka Sales & Services Pvt. Ltd	-	2.00 (28.10)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	71.50 (116.75)
	Flora Fountain properties Ltd.	-	-	155.00 (2,635.00)
	Luharuka Exports Pvt. Ltd.	-	-	10.00 (32.00)
	Comfort Commotrade Ltd	-	-	1,895.00 (620.00)
	ii) Loan Received Back			
	Comfort Capital Pvt. Ltd.	-	-	- (35.00)
	Flora Fountain properties Ltd.	-	-	1,560.00 (1,230.00)
	Luharuka Sales & Services Pvt. Ltd	-	214.40 (100.00)	-
	Comfort Securities Ltd	-	-	1,570.00 (307.00)
	Deepika Agrawal	-	726.00 796.00	-
	Luharuka Commotrade Pvt. Ltd.	-	27.00 (81.00)	-
	Luharuka Exports Pvt. Ltd.	-	-	10.00 (32.00)
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	43.48 (395.90)
	Comfort Commotrade Ltd.	-	-	925.00 (345.00)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
2	i) Loan taken			
	Comfort Commotrade Ltd	-	-	245.00 (450.00)
	Comfort Intech Limited	-	-	1,015.00 (1,475.00)
	ii) Loan Repaid			
	Comfort Commotrade Ltd	-	-	245.00 (450.00)
	Comfort Intech Limited	-	-	1,540.00 (935.00)
3	Security deposit received back			
	Annu Agrawal	-	-	-
		-	(1.30)	-
4	Income			
	Comfort Capital Pvt. Ltd.	-	-	-
		-	-	(1.43)
	Deepika Agrawal	-	45.13 (38.04)	-
	Luharuka Commotrade Pvt. Ltd.	-	1.50 (9.10)	-
	Luharuka Sales & Services Pvt. Ltd	-	32.39 (47.27)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2.94 (23.68)
	Flora Fountain properties Ltd.	-	-	92.40 (87.54)
	Comfort Securities Ltd	-	-	36.48 (2.29)
	Comfort Commotrade Ltd	-	-	23.44 (5.68)
	Luharuka Exports Pvt. Ltd.	-	-	0.05 (0.52)
5	Expenses			
	Demat Charges Paid			
	Comfort Securities Limited	-	-	0.03 -
	Brokerage Paid			
	Comfort Securities Limited	-	-	0.76 (0.98)

COMFORT FINCAP LIMITED

Annual Report 2021-2022

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Office Rent Paid			
	Anil Agrawal –HUF	- -	6.00 (5.00)	- -
	Annu Agrawal	- -	- (1.00)	- -
	Remuneration			
	Bharat Shiroya	26.00 (26.00)	- -	- -
	Nirmala H Kanjar	11.11 (9.73)	- -	- -
	Deepika Agrawal	- -	12.00 (12.00)	- -
	Ankur Agrawal	33.00 (5.50)	- -	- -
	Sneha Mandelia	4.03 (2.59)	- -	- -
	Interest Paid			
	Comfort Intech Limited	- -	- -	149.76 (142.16)
	Comfort Commotrade Limited	- -	- -	2.08 (13.16)
	Director Sitting fee Paid			
	Devendra Lal Thakur	0.70 (0.65)	- -	- -
	Milin Ramani	0.75 (0.80)	- -	- -
	Ankur Agrawal	0.60 (0.65)	- -	- -
	Divya Padhiya	- (0.80)	- -	- -
	Apeksha Kadam	0.30 -	- -	- -
	Corporate Social Responsibility (CSR)			
	Seth Govindram Charitable Trust	- -	- -	7.50 -
	Amount outstanding as at Balance Sheet date			
	Loan Given			
	Flora Fountain Properties Ltd.	- -	- -	- (1,428.04)

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	Associates / KMP or relative of KMP having substantial interest
	Deepika Agrawal	-	729.53 (57.86)	-
	Luharuka Sales & Services Pvt. Ltd.	-	114.99 (322.28)	-
	Luharuka Commotrade Pvt. Ltd.	-	23.00 -	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	38.85 (9.76)
	Comfort Commotrade Ltd.	-	-	1,260.94 (280.25)
	Comfort Securities Ltd.	-	-	1,447.52 -
	Loan taken			
	Comfort Intech Limited	-	-	883.23 (1,412.10)

Figure in bracket relates to previous year.

35. 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.
36. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as
- Title Deeds of Immovable Property not held in name of Company: Title deeds of immovable property are held in the name of the Company
 - Disclosure on Revaluation of Assets: The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
 - Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
 - Borrowings against current assets: The returns or statements submitted by the company to lenders are in agreement with books of accounts. There are no material discrepancies observed in returns or statements submitted by the company to lenders.
 - Wilful defaulter: The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - Relationship with struck off companies : The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

- g. Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. Utilisation of borrowed funds and share premium: The Company has not received securities premium through issue of equity and preference shares during the year ended March 31, 2022, and year ended March 31, 2021. There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.
- j. Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- l. Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

37. Analytical Ratios

SN	Particulars	Numerator	Denominator	2021-22	2020-21
(a)	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR+ Tier II CRAR	Risk Weighted Assets	15.92%	26.38%
(b)	Tier I CRAR	Tier I	Risk Weighted Assets	15.62%	26.06%
(c)	Tier II CRAR	Tier II	Risk Weighted Assets	0.30%	0.32%

“Tier I Capital” means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

“Owned Fund” means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

“Tier II capital” includes the following –

- (a) preference shares other than those which are compulsorily convertible into equity;
- (b) revaluation reserves at discounted rate of fifty five percent;
- (c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL)

allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

- (d) hybrid debt capital instruments; and
- (e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

38. The Previous year's 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, April 29, 2022

Ankur Agrawal

Director
DIN : 06408167

Nirmala Kanjar

Chief Financial Officer

Mumbai, April 29, 2022

Apeksha Kadam

Director
DIN : 08878724

Sneha Mandelia

Company Secretary



If undelivered, please return to:

COMFORT FINCAP LIMITED

Corporate Office: 301, 3rd Floor, A Wing, Hetal
Arch, S. V. Road, Malad (West), Mumbai 400064