

**BOARD OF DIRECTORS :**

Mr. Anil B Agrawal - Chairman & Managing Director
Mr. Bharat N Shiroya - Executive Director
Mr. Janak G Mehta - Director
Mr. Jugal C Thacker - Director
Mrs. Annu Agrawal - Director
Mr. Anand Agarwal - Director

COMPANY SECRETARY :

Mrs. Rama Devi Gundeti

STATUTORY AUDITORS :

M/s. Bansal Bansal & Co.,
Chartered Accountants,
120, Sanjay Building No. 6,
Mittal Industrial Estate
Andheri Kurla Road, Andheri (E)
Mumbai – 400 069.

BANKERS :

Union Bank of India
Axis Bank
Punjab National Bank
IDBI Bank
HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS :

Bigshare Services Pvt. Ltd
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumbai –400 072.
Tel : 91-22-40430200
Fax :91-22-28475207
Website : www.bigshareonline.com

REGISTERED OFFICE:

106, Avkar, Alganj Nagar,
Kalaria, Daman– 369 210 (U.T.)

CORPORATE OFFICE:

A-301, 3rd Floor, Hetal Arch,
S. V. Road, Malad (West),
Mumbai – 400 064.
Tel : 91-22-28449765/66
Fax: 91-22-28892527
Email : info@comfortintech.com
Website: www.comfortintech .com

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EIGHTEENTH ANNUAL GENERAL MEETING

Day and Date	Saturday, September 1, 2012
Time	4.30 P.M
Venue	Cidade De Daman (Hotel Sea View Pvt. Ltd),. Devka Beach, Nani Daman 396210 (U.T.)

NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU) on Saturday, 1st September, 2012 at 4.30 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2012 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To declare the dividend on Equity shares
3. To appoint a Director in place of Mr. Jugal C Thacker who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT the Salary and other allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:
1) Salary from ₹ 7,20,000/- to ₹ 8,40,000/- per annum.
Other benefits as per the rules of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT the Salary and other allowances to be paid to Mr. Anil B Agrawal, Managing Director be increased as under:
Salary from ₹ 8,40,000/- to ₹ 9,00,000/- per annum.
Other benefits as per the rules of the Company."

By Order of the Board

Sd/-

RAMA DEVI GUNDETI

Company Secretary

Place : Mumbai

Dated :14.07.2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5 and 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 28th August 2012 to 1st September 2012 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Company Secretary at the Corporate office of the company.

10. Payment of dividend through ECS/NECS :

All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to Member's respective bank accounts.

The Members, holding shares in dematerialized form are advised to intimate the bank details/change in bank details to their respective DPs. Those Members who are holding their shares in physical form are advised to send bank details/changes therein, if any, to the RTA or to the company. In case of absence of ECS/NECS facility, the Company will send the dividend pay orders to the registered address of the Members.

To enable the Company to print the bank account details on the dividend pay orders as a security measure for the credit to the correct recipient, members are required to update their bank account details with their respective DPs, RTA or the Company.

ANNEXURE TO THE NOTICE:**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.**

The following Explanatory Statement sets out the material facts relating to the business under items 5 and 6 of the accompanying Notice:

Item No. 5

Mr. BHARAT SHIROYA was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for the next 5 years in the meeting of the Board of Directors held on 15th October, 2007.

The main terms of appointment of Mr. Bharat Shiroya, as Executive Director are to be changed as under:

Salary from ₹ 7,20,000/- to ₹ 8,40,000/- per annum.

Other benefits as per the rules of the Company.

Yours Directors recommend the resolution for the approval of the members.

Mr. Bharat Shiroya is interested in the resolution as it relates to his appointment.

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

Item No. 6

Mr. ANIL B AGRAWAL was appointed as Managing Director of the Company in the Board Meeting held on 16th April, 2008 for the period of 5 years.

The main terms of appointment of Mr. Anil B Agrawal, as Managing Director are to be changed as under:

Salary from Rs. 8,40,000/- to Rs. 9,00,000/- per annum.

Other benefits as per the rules of the Company.

Yours Directors recommend the resolution for the approval of the members.

Mr. Anil B Agrawal and Mrs. Annu Agrawal (spouse of Mr. Anil Agrawal) are interested in the resolution as it relates to his appointment.

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

By Order of the Board

Sd/-

RAMA DEVI GUNDETI

Company Secretary

Place : Mumbai

Dated : 14.07.2012

Registered Office:

106, Avkar, Alгани Nagar,
Kalaria, Daman - 396210

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Name	Mr. Jugal C Thacker
Age	48 years
Qualification	B.Com, FCA.
Brief Profile	Having vast experience in finance and investment Field. He has experience in debt syndication, Issue Managements, Buy-back, delisting, open offers etc.
Shareholding in the Company	Nil



DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2012. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31 ST MARCH 2012	YEAR ENDED 31 ST MARCH 2011
Income from Operations	1610.64	11818.56
Profit Before Depreciation and Taxes	303.71	189.42
Less: Depreciation	(11.23)	(8.39)
Less : Provision for		
(a) Income tax	(81.00)	(19.00)
(b) Deferred tax	(3.32)	(0.78)
Income Tax paid of Earlier years	--	(3.67)
Profit for the Year	208.16	157.58
Add: Brought forward from last year	216.60	165.15
Distributable Profits	424.76	322.73
Appropriated as under :		
Transfer to Special Reserve	(41.63)	(31.52)
Proposed Equity Dividend	(63.98)	(63.98)
Tax on Distributed Profits	(10.38)	(10.63)
Balance Carried Forward to Balance sheet	308.76	216.60

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2011-12 on Equity Shares of ₹ 1/- each at ₹ 0.02 per share equivalent to 2% aggregating to ₹ 63,98,762/- (Rupees Sixty three Lacs Ninety Eight thousand Seven Hundred and Sixty two Only)

FINANCIAL HIGHLIGHTS:

During the fiscal 2011-12, Company has grown its spectrum of financial operations and increased its advances portfolio to ₹ 8031.86 Lacs and the interest income of the Company have been stood at ₹ 983.78 Lacs which has grown multifold as compared to preceding fiscal of ₹ 659.41

During the fiscal 2012, the gross operational income of the Company stood at ₹ 1610.64 Lacs as compared to previous fiscal of ₹ 11818.56 Lacs. However profit after tax for the fiscal 2012 stood at ₹ 208.16 lacs as compared to the previous year ₹ 157.58 lacs.

Your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

The net worth of your company at the year end stands at Rs. 8928.66 Lacs which translated to a book value of ₹ 2.79 per share of face value of ₹ 1.

DIRECTORS:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-2012 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

COMMENTS ON AUDITOR'S REPORT:

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

STATUTORY AUDITORS:

The retiring auditors, namely M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and are seeking re-appointment. They have confirmed that their appointment if made, at the Annual General Meeting, will be within the limits prescribed under sub section (1B) of Section 224 of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement. Members are requested to consider their re-appointment.

Utilization of Proceeds of Rights Issue:

The statement of projected utilization of the Rights Issue proceeds as per Letter of Offer dated 27th May 2010 against actual utilization as on 31st March, 2012 is as follows:

(₹ in Lacs)

Proceeds of Rights Issue		6398.76	
Objects of the Rights Issue	Proposed Utilization of Rights Issue Proceeds	Actual Utilization of Rights Issue Proceeds 2010-11	Actual Utilization of Rights Issue Proceeds 2011-12
Capital for financing activity:-			
Margin funding, loan against shares & securities	3000	1530	782
Loan against properties	1000	440	103.04
Corporate loan, bill discounting, working capital loan	1000	1231.21	1100
Arbitrage activity	800	800*	
Acquisition of Shares of Comfort Securities Pvt Ltd	330	385	
Brand building	160	Nil	-
Rights Issue Expenses	108.76	27.51	-
Total	6398.76	4413.72	1985.04

* Signifies the Payment to Broker against bills as well as for Margin requirements.



SUBSIDIARY COMPANY :

Your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2011-12 and a detailed report on Corporate Governance, as required under Clause 49 of the Listing agreement executed with the Stock Exchanges, are given in separate sections forming part of the Annual Report.

A Certificate from Statutory Auditors of the company, M/s. Bansal Bansal & Co., confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 is annexed to the report on Corporate Governance.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A);

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

LISTING:

The Equity Shares of the Company are at presently listed with the Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is regular in payment of listing fee.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2012 is annexed here to.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

ACKNOWLEDGEMENT:

Your directors place on record their gratitude for the continued co-operation and guidance extended by the Securities and Exchange Board of India, Reserve bank of India, Bombay Stock Exchange Limited and take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD

Sd/-

ANIL AGRAWAL

Chairman & Managing Director

Place : Mum bai

Dated: 14.07.2012

ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION : NA

TECHNOLOGY OBSERVATION : NA

FOREIGN EXCHANGE EARNINGS AND OUT GO :

Amount in ₹

Foreign exchange used 7,38,123/-

Foreign exchange earned 12,00,585/-

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT THE INDUSTRY:

NBFCs are an integral part of the country's financial system complementing the services of commercial banks. The main reason attributed to the growth of NBFCs is the comprehensive regulation of the banking system. Other factors include higher level of customer orientation, lesser pre/post sanction requirements and higher rates of interest on deposits being offered by NBFCs. It is mandatory that every NBFC should be registered with RBI to carry on any business of non banking financial institution.

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognized as they have inherent ability to take quicker decisions, assume greater risks, and customize their services and charges more according to the needs of the clients.

While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis.

The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments, etc. By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc.

The importance of NBFCs in delivering credit to the unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection.

An Overview of Regulation of NBFCs

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies.

(1) Mission

To ensure that:

- the financial companies function on healthy lines,
- these companies function in consonance with the monetary policy framework, so that their functioning does not lead to systemic aberrations,
- the quality of surveillance and supervision exercised by the RBI over the NBFCs keeps pace with the developments in this sector.
- comprehensive regulation and supervision of Asset liability and risk management system for NBFCs,

(2) Amendments to the Reserve Bank of India (RBI) Act, 1934

RBI Act was amended in January 1997 providing for, inter alia.

- Entry norms for NBFCs and prohibition of deposit acceptance (save to the extent permitted under the Act) by unincorporated bodies engaged in financial business,
- Compulsory registration, maintenance of liquid assets and creation of reserve fund,
- Power of the RBI to issue directions to an NBFC or to the NBFCs in general or to a class of NBFCs.
- Comprehensive regulation and Supervision of deposit taking NBFCs and limited supervision over those not accepting public deposits.



(3) Basic Structure of Regulatory and Supervisory Framework

- Prescription of prudential norms akin to those applicable to banks,
- Submission of periodical returns for the purpose of off-site surveillance,
- Supervisory framework comprising (a) on-site inspection (CAMELS pattern) (b) off-site monitoring through returns (c) market intelligence, and (d) exception reports by statutory auditors,
- Punitive action like cancellation of Certificate of Registration (CoR), prohibition from acceptance of deposits and alienation of assets, filing criminal complaints and winding up petitions in extreme cases, appointment of the RBI observers in certain cases, etc.
- Co-ordination with State Governments to curb unauthorised and fraudulent activities, training programmes for personnel of NBFCs, State Governments and Police officials.

(4) Other steps for protection of depositors' interest

- Publicity for depositors' education and awareness, workshops / seminars for trade and industry organizations, depositors' associations, chartered accountants, etc.

ABOUT THE COMFORT INTECH LIMITED:

Business Overview:

Our Company is a non deposit taking NBFC, registered with the RBI vide Registration No.B.01.00419. Our Company has been in the business of providing financial services since inception. This endeavor was initiated by Mr. Anil B. Agrawal, qualified Chartered Accountant and a first generation entrepreneur.

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

Recently our company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

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

Products & Services:

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

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

FINANCIAL PERFORMANCE:

During the fiscal 2011-12, Company has grown its spectrum of financial operations and increased its advances portfolio to ₹ 8031.86 Lacs and the interest income of the Company have been stood at ₹ 983.78 Lacs which has grown multifold as compared to preceding fiscal of ₹ 659.41

During the fiscal 2012, the gross operational income of the Company stood at ₹ 1610.64 Lacs as compared to previous fiscal of ₹ 11818.56 Lacs. However profit after tax for the fiscal 2012 stood at ₹ 208.16 lacs as compared to the previous year ₹ 157.58 lacs.

During the year your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

The net worth of your company at the year end stands at Rs. 8928.66 Lacs which translated to a book value of ₹ 2.79 per share of face value of ₹ 1.

Financial Highlights:

- CIL recommended a dividend of 2% as on March 31, 2012.
- Income from operation stood at ₹ 1610.64 Lacs for fiscal 2012
- Profit Before Taxes of fiscal 2012 was ₹ 292.48 Lacs.

- Profit After Taxes of fiscal 2012 was ₹ 208.16 Lacs
- Basic Earning per share for fiscal 2012 was ₹ 0.07 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at ₹ 1225.28 Lacs as on March 31,2012
- Net Worth of company stood at ₹ 8928.66 Lacs as on March 31,2012

SWOT ANALYSIS:

Strengths:-

- Ready contacts for business development: Our Company has strong relationships with the well established business houses in India cultivated through several years of client servicing.
- Promoted and managed by qualified and experienced professionals: Our Company is promoted by Mr. Anil B. Agrawal, Chartered Accountant who has more than 20 years of experience in financial services. The board of our Company comprises of qualified professionals, experienced in the industry.
- Existing profit making & dividend paying company: Our Company is an existing Profit making and paying dividend continuously for the previous seven years .
- Support of Group Entity: Comfort Securities Limited, one of our Group Entities is in the Business of capital market services and merchant banking activities is having a clientele base of over 2000 including corporate, HNI and retail investors. We leverage the cliental base of our group entity to provide funding in the form of margin funding as well as in terms of Loan against Demat Shares.

Weakness:-

- Branding: Despite our ready contacts for business development & listing on esteemed Exchange (BSE), our company is not a well established brand among large NBFC players who have access to larger financial resources.
- Accessibility: We do not have branches on a Pan India basis, so we are not able to explore the business opportunities in those regions.

Opportunities:-

- Large market: The players in the NBFC sector still have a lot of scope to cover larger market and the rural markets are still untapped.
- Desire for status: With increased desire of individuals to improve their standard of living, the NBFC industry is getting exposed to new category of Client (Individuals) in a big way with large share of business coming from this segment apart form corporate clients.

Threats:-

- Economic Downturn: If the Economic downturn is prolonged it can reduce the financing need of people due to shrinking business opportunities.
- Private Banks: Private Banks are also working on the similar business model as the NBFCs do, thereby giving a very strong competitions to the NBFC's.
- RBI and Government restrictions: With more stringent norms governing the functioning of NBFC and certain government restrictions act as a hindrance in smooth functioning of NBFC.

FUTURE STRATEGY:

- Expansion of existing activities: - Our Company intends to expand its financial services by enhancing its focus on margin funding, loan against shares and securities, loan against properties and corporate loan, bill discounting and working capital loan.
- Financial Management/Advisory Services: - We have an in house team which has the capacity to provide services in the area of financial management/advisory services like syndication for big ticket loans from banks, project appraisals, debt restructuring and arranging non fund based limits form bank. Our Company is planning to foray into business of financial management/advisory services with the potential clients.
- Differentiated Services:-In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.

- Brand recognition: We are in such a business where we are facing lot of competition. We are planning to put more efforts to build Comfort as a well known brand. Despite our existing contacts & listing on esteemed Exchange (BSE),our Company is not a well established brand among large NBFC players . We will be making the necessary arrangements for our brand reorganization .

REGULATORY:

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

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

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

INTERNAL CONTROL SYSTEM AND ADEQUACY:

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

CAUTIONARY:

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

REPORT ON CORPORATE GOVERNANCE

OUR PHILOSOPHY ON CORPORATE GOVERNANCE

Comfort is committed to provide fair, transparent and equitable treatment to all its stakeholders. For us Corporate Governance is not only a set of rules that define the relationship between the stakeholders and the management of a company but it is the way the company operates. Corporate Governance is both the structure and the relationship which determine corporate direction and performance.

At comfort, we have always sought to be a value-driven organization, where our values direct our growth and success.

- **Integrity:** Integrity is fundamental to our business. We adhere to moral and ethical principles in everything we do as professionals and corporate citizens. Our reputation, based on our high standards of integrity, is invaluable.
- **Team work:** We believe extensive teamwork is what makes it possible for us to work together towards a common goal. We value and respect each individual's commitment to group effort.
- **Client Focus :** We always put the interest of our clients before our own. We understand our client's needs, seek new opportunities for them and deliver unique solutions as per their expectations. The success of our clients is the biggest reward for us.
- **Innovation :** We understand our client's needs and develop solutions for the most complex or the simplest, the biggest or the smallest transactions, whether for individuals, corporations or institutions. Creativity and innovation are among the key essentials for everything we do. We encourage new ideas which help us capture unique opportunities.
- **Implementation :** Our expertise, experience and continuous focus on the quality of execution ensure effective implementation of our strategies.
- **Performance :** We believe in development of our people and continuously hone our skills, setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent. We recognize and reward talent based on merit.
- **Partnership:** Our relationship with all our stakeholders reflect our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust and support all our stakeholders.

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

CLAUSE 49

Clause 49 of the Listing Agreement entered between a company and the Stock Exchanges is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 49 is the baseline for good governance standards. At Comfort, we not only adhere to the prescribed corporate governance standards and practices as given in Clause 49 but we constantly strive to adopt the emerging best practices.

Corporate Governance has always been an integral and indispensable practice at Comfort in conducting its business for more than 15 years. We believe that corporate governance is a journey towards sustainable value creation and is always an upward moving target.

We follow high standards of corporate governance practices which inter-alia include:

- The Board of the Company comprises majority of Non executive Directors representing around 67% of the total composition of the Board.
- Out of the six directors on the Board, three are independent directors which represents around 50% of the total composition of the Board.
- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks and audits and continuous improvement in already well define systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

The Company Secretary plays a very vital role in the implementation of the best corporate governance processes. She ensures that the Board procedures are followed and reviewed regularly. She also ensures that all relevant information/

documents/ details are made available to all the directors and Senior Managerial personnel (who are invited to attend the meeting) for effective decision making at all Board/Committee meetings. All the Directors and Senior Managerial Personnel have access to the advice and services of the Company Secretary.

2. BOARD OF DIRECTORS (“THE BOARD”):

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

COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31.03.2012 :

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

Mr. Anil Agrawal	Chairman & Managing Director & Promoter
Mrs. Annu Agrawal	Non-Executive & Promoter Director
Mr. Bharat Shiroya	Executive Director & Non Independent
Mr. Janak Mehta	Non-Executive Director & Independent
Mr. Jugal C Thacker	Non-Executive Director & Independent
Mr. Anand H Agarwal	Non-Executive Director & Independent

All the Independent Directors have confirmed to the Company that they qualify to be an independent director as per the definition of ‘Independent Director’ stipulated in Clause 49(I)(A)(iii) of the Listing Agreement. It is the practice of the company to place such confirmation before the Board at its meeting.

A) Brief Profile of Directors

A brief profile of all the Directors of the Company, the nature of their expertise in specific functional areas, the names of the public companies (other than foreign companies, Section 25 companies and private companies that are not subsidiaries of a public company) of which they hold directorships in the company as on March 31, 2012 are given below

I. Mr. Anil B Agrawal, aged 50 years is the Chairman & Managing Director of our Company. He is a Chartered Accountant. He has more than 20 years of experience in the field of finance, capital markets and related activities. He is one of the founder promoters and chairman of our Company and presently involved in day to day affairs including future planning, finances control, man- management, and in strategic decision making of our Company. He has expertise in business advisory and capital markets transaction. He is also on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

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

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

Mr. Anil B Agrawal held **994245** equity shares in the Company as on March 31, 2012.

II. Mr. Bharat N Shiroya aged 42 years is the Executive Director of our Company. He is a graduate by qualification from Mumbai university and M.B.A from National Institute of Management. He is holding the office of executive director of our Company for more than 10 years. He has experience in securities and financial services and responsible for our Company’s dealings in shares and investment portfolio.

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

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

Mr. Bharat N Shiroya held **10525** equity shares in the Company as on March 31, 2012.

III. Mrs. Annu A Agrawal, aged 44 years is the director of our Company. She is a graduate and has 10 years experience in the stock market. She is on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

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

- Comfort Securities Limited

Mrs. Annu Agrawal held **11655383** equity shares in the Company as on March 31, 2012.

IV. Mr. Jugal C Thacker, aged 48 years is an Independent Director of our Company. He is qualified a chartered accountant and experience in finance and investment Field. He has experience in debt syndication, Issue Managements, Buy-back, delisting, open offers etc

Mr. Jugal C Thacker is on the Board of the following other public companies :

- Comfort Securities Limited

Mr. Jugal C Thacker does not hold any equity shares in the Company as on March 31, 2012.

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

V. Mr. Janak G Mehta aged 45 years is an independent director of our company. He is a graduate by qualification from Mumbai university and holds Diploma in Computer Studies from NCC (U.K). He has experience in the software operations.

Mr. Janak G Mehta is not holding any directorship in the public companies as on 31st March 2012

Mr. Janak G Mehta does not hold any equity shares in the Company as on March 31, 2012.

VI. Mr. Anand H Agarwal aged 50 years is an independent director of our Company. He is a B.com, Chartered Accountant and having more than 20 years of experience in the field of account, audit & income tax. Currently he is a proprietor of M/s A.H Agarwal & Associates, Chartered Accountants, Mumbai.

Mr. Anand H Agarwal is on the Board of the following other public companies :

- Fineotex Chemical Limited

Mr. Anand H Agarwal does not hold any equity shares in the Company as on March 31, 2012.

B) Board Meetings and Procedures

The company has been following the practice of holding at least four board meetings every year. During the year, the Company held five board meetings. Out of these board meetings, four meetings; one in every quarter, included the agenda for review of the quarterly financial results of the Company. The maximum time-gap between any two consecutive meetings did not exceed four months.

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

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

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

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

The following information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement is placed before the Board at its meetings.

- Annual operating plans and budgets, capital budgets and updates, if any.
- Quarterly results of operating divisions or business segments.
- Minutes of meetings of audit, remuneration and shareholder's grievance committees.
- Non compliance, if any of regulatory, statutory or listing requirements as well as investor services such as non payment of dividend and delays in share transfers.

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

During the year ended 31st March 2012, Six (6) Board Meetings were held on the following dates :

30th May 2011, 6th June 2011, 16th July 2011, 12th November 2011, 17th December 2011 and 11th February 2012

C. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of directorships and chairmanships/memberships of committees of each Director as on 31st March, 2012 are given below:

Name of Director	Category of Directorship	Attendance at		*No. of Directorships	Committee	
		Board Meeting	Last AGM		Positi ons Member	Chairman
Mr. Anil Agrawal (Chairman)	Executive Promoter	6	Yes	5	1	--
Mrs. Annu Agrawal	Non Executive Promoter	6	No	2	2	--
Mr. Bharat Shiroya	Executive & Non Independent	6	Yes	4	1	--
Mr. Janak Mehta	Non Executive & Independent	4	No	1	2	1
Mr. Jugal C Thacker	Non Executive & Independent	4	No	2	--	2
Mr. Anand H Agarwal	Non Executive & Independent	4	Yes	2	--	--

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

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

D) Code of Conduct:

The Code of Conduct, which has been formulated for the Board Members and Senior Members and Senior Management Personnel of the Company, is posed on the website of the Company, viz. www.comfortintech.com.

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors for the Financial Year 2011-12:

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

I. AUDIT COMMITTEE:

A. Composition:

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

Names of Directors	Category
Mr. Jugal C Thacker	Chairman Non- Executive and Independent
Mr. Janak Mehta	Non- Executive and Independent
Mrs. Annu Agrawal	Non- Executive and Non Independent

B Terms of reference:

- (a) Review of the Company's financial reporting process and financial statements.
- (b) Review of accounting and financial policies and practices.
- (c) Review of Internal control systems.
- (d) Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- (e) Reviewing the Company's financial and risk management policies.

The Statutory Auditors are invitees to the Meeting.

C. Powers of Audit Committee:

The Audit Committee has the following powers:

- i) To investigate any activity within its terms of reference;
- ii) To seek information from any employee;
- iii) To obtain outside legal or other professional advice;
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

D. Audit committee Meetings and Attendance:

The Committee has met four (4) times during the financial year ended 31st March 2012 i.e. on 30th May 2011, 16th July 2011, 12th November 2011 and 11th February 2012.

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

Name of the Director	Position	Meeting attendance
Mr. Jugal C Thacker	Chairman	4
Mr. Janak Mehta	Member	4
Mrs. Annu Agrawal	Member	4

II. REMUNERATION COMMITTEE:

A. Composition and attendance :

The Remuneration Committee comprised of three Non-Executive Directors, namely Mr. Jugal C Thacker (Chairman of the Committee), Mr. Janak Mehta and Mrs. Annu Agrawal as a members of the Committee.

The Committee has met one (1) time during the financial year ended 31st March 2012 i.e. on 30th May 2011

Name of the Member	Position	Category	Meeting attendance
Mr. Jugal C Thacker	Chairman	Independent & Non Executive Director	1
Mr. Janak Mehta	Member	Independent & Non Executive Director	1
Mrs. Annu Agrawal	Member	Non Independent & Non Executive Director	1

B. Terms of Reference:

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

C. Remuneration Policy:

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

III. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:

A. Composition and attendance:

The Board has delegated the powers to approve transfer of shares etc., to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) directors present, four (4) meetings of the committee were held during the year. The composition and attendance of shareholders / Investors Grievance Committee as on 31st March 2012 is as follows:

Name of the Member	Position	Category	Meeting attendance
Mr. Janak Mehta	Chairman	Independent & Non Executive Director	4
Mr. Anil B Agrawal	Member	Non Independent & Executive Director	4
Mr. Bharat N Shiroya	Member	Non Independent & Executive Director	4

B. Terms of Reference:

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.,

The committee deals with various matters relating to :

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.

C. Information on Investor Grievances for the period from 1st April, 2011 to 31st March 2012:

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

D. Compliance Officer:

Ms. Ramadevi Gundeti is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & JSE.

4. GENERAL BODY MEETINGS:

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

Annual General Meetings :

YEAR	LOCATION	DATE	TIME
2008-2009	Hotel Miramar, Devka Beach, Nani Daman	8 th August 2009	4.00 P.M
2009-2010	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	17 th July 2010	4.30 P.M
2010-2011	Hotel Sea View Pvt. Ltd, Devka Beach, Nani Daman	16 th July 2011	4.30 P.M

B. Extraordinary General Meetings:

There were no Extraordinary General Meetings conducted during the Financial Year 2011-12.

5. OTHER DISCLOSURES:

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

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

6. MEANS OF COMMUNICATION:

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

Financial Result	Un-Audited / Audited*	News Papers
First Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Second Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Third Quarter	Un-Audited	Business Standard & Gandhi Nagar Western Times
Fourth Quarter/ Full year	Audited	Business Standard & Gandhi Nagar Western Times

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

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

B. Management Discussion and Analysis Report:

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

7. GENERAL SHAREHOLDER INFORMATION :

(i) Annual General Meeting

Day, Date and Time: Saturday, 1st September , 2012 at 4.30 p m

Venue: Cidade De Daman (Hotel Sea View Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU)

(ii) Financial Calendar 2012-13 (Tentative)

Results for the quarter ending 30th June 2012 : Second week of August 2012

Results for the quarter ending 30th Sep, 2012 : Second week of November 2012

Results for the quarter ending 31st Dec 2012 : Second week of February 2013

Results for the year ending 31st March 2013 : Last week of May 2013

(iii) Book Closure Date : 28-08-2012 to 01-09-2012 (Both the days inclusive)

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

(v) Equity shares listed on Stock Exchanges at : 1) Bombay Stock Exchange Limited
2) Jaipur Stock Exchange Limited

Note: The Annual listing fees as prescribed has been paid to all Stock Exchanges where shares are listed upto 31st March, 2013.

(vi) **Stock Code**

Trading Symbol at : Bombay Stock Exchange Limited (Physical Segment)

531216 COMFINTE

Demat ISIN Number in NSDL & CDSL : Equity Shares INE819A01023

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

Period	High (₹)	Low (₹)	Period	High (₹)	Low (₹)
April 2011	3.08	2.47	Oct 2011	2.46	1.78
May 2011	2.60	2.04	Nov 2011	2.77	1.86
June 2011	2.90	1.90	Dec 2011	2.70	1.81

Period	High (₹)	Low (₹)	Period	High (₹)	Low (₹)
July 2011	2.97	2.16	Jan 2012	2.59	2.05
Aug 2011	2.63	2.00	Feb 2012	2.40	2.00
Sep 2011	2.49	2.04	Mar 2012	2.01	1.65

* No script were traded in the Jaipur Stock Exchange during the financial year. Therefore no stock market data has been given.

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

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

Bigshare Services Pvt. Ltd.

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

(ix) **SHARE TRASFER SYSTEM**

Presently, the share transfers in physical form are processed and the share certificates returned within a period of 15 to 20 days from the date of receipt of the document, subject to the documents being clear in all respects. The Board has delegated the authority for approving the transfers to the RTA subject to approval by Grievance Committee.

Shareholders Grievances and other miscellaneous correspondence on change of address, mandates etc., received from members are generally processed by RTA of the company within 15 to 20 days.

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

(x) **DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH 2012.**

Range of Shareholding (₹)	No. of Shareholders	% of Total	Share Amount Rs.	% of Total
1-5000	5412	77.47	7409415	2.31
5001-10000	578	8.27	4583350	1.43
10001-20000	364	5.21	5419325	1.69
20001-30000	149	2.13	3823519	1.19
30001-40000	80	1.14	2850634	0.89
40001-50000	59	0.84	2780681	0.87
50001-100000	119	1.70	9123245	2.85
100001 and above	225	3.22	283947911	88.75
Total	6986	100.00	319939080	100.00

(xi) **Shareholding Pattern (Category Wise) As on 31st March 2012 :**

Category	No. of Shares	Percentage
Promoters	163452329	51.08
Mutual Funds / UTI & Banks	--	--
Private Corporate Bodies	41715924	13.04
Resident Individuals	114634453	35.82
NRIs / FIIs	123841	0.04
Clearing Members	11533	0.004
Total	319939080	100.00

(xii) **List of the Top 10 Shareholders of the Company (Excluding Promoter group as on 31st March 2012)**

S. No.	Name of Shareholder	No.of Shares	Shares as % of total no.of shares
1.	Maverick Share Brokers Limited	8981240	2.8072
2.	Sukusama Trading & Investments Pvt Ltd	6403432	2.0015
3.	Bhavesh Prakash Pabari	6042000	1.8885
4.	Jatin H Mehta	4895000	1.5300
5.	Brijesh H Mehtha	4629000	1.4468
6.	Darshan Doshi	4495000	1.4050
7.	Arcadia Share & Stock Brokers Pvt. Ltd	4394300	1.3735
8.	Chirag Rajnikant Jariwala	3567784	1.1151
9.	Amitkumar Arunkumar Khara	3350000	1.0471
10.	Arunkumar Dalichand Khara	3350000	1.0471

(xiii) **DEMATERIALIZATION OF SHARES:**

Approximately 99.715 % of the Equity Shares have been dematerialized upto 31st March, 2012.

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

(xiv) **LIQUIDITY:**

Relevant data of the average daily working days turnover for the Financial Year 2011-2012 is given below:

Bombay Stock Exchange Limited

Shares (in ₹ Lacs) : 1.98

Amount (in ₹ Lacs) : 4.69

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

BIGSHARE SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.

Any query on Annual Report:

COMFORT INTECH LTD.

A-301, Hetal Arch, Opp. Natraj Market,

S.V.Road, Malad (W), Mumbai 400 064.

Other Mandatory requirements are not applicable to the Company.

CEO/CFO CERTIFICATION

To

The Board of Directors
COMFORT INTECH LTD
Mumbai

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and to the best of our knowledge and belief that:

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

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

We have indicated to the auditors that:

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

Sd/-

ANIL AGRAWAL

Chairman & Managing Director

Place : Mumbai
Date : 30.05.2012

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members,

COMFORT INTECH LTD.

We have examined the compliance of conditions of Corporate Governance by Comfort Intech Ltd., for the year ended on 31st March, 2012, as stipulated in Clause 49 of listing agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For BANSAL & BANSAL & CO.

Chartered Accountants

Sd/-

ANAND DROLIA

Partner

Place : Mumbai

Dated : 30.05.2012

AUDITORS' REPORT

To,
The Members of
Comfort Intech Ltd

We have audited the attached Balance Sheet of **COMFORT INTECH LIMITED** as at 31st March 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (2) above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by the Law, have been kept by the company, so far as appears from our examination of those books;
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. Except AS-15, Accounting for retirement benefits of employees in the financial statements.
- e) On the basis of written representations received from all the Directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India;
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - iii) In the case of the cash flow statement, of the cash flows the year ended on that date.

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

Sd/-
Anand Drolia
Partner
M.No.036718
Firm Registration No.100986W

Place : Mumbai
Dated: 30th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date to the Members of **COMFORT INTECH LIMITED** as on 31st March 2012)

1. In respect of Fixed Assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. No substantial part of the fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
2. In respect of Inventories:
 - a. The Stock in trade of shares and securities held in the physical format has been physically verified and those held in the dematerialized format have been verified from the relevant statements received from the depositories during the year, by the management.
 - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of stock of shares and securities as compared to the book records.
3. In respect of the loans, secure or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The company has granted interest free unsecured loan to Luharuka Dealers Private Limited amounting to ₹ 3,55,50,000.00 (Maximum balance of ₹ 3,55,50,000.00)
 - b) In our opinion and according to the information and explanations given to us, the terms and conditions of the loan given are not prima facie prejudicial to the interest of the company.
 - c) The principal amount has been received back by the company during the year.
 - d) The company has not taken interest any loan from parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of inventory (shares and securities) and fixed assets and for the sale of shares and securities. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of contracts or arrangements and transactions covered under section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b. In our opinion and according to the information and explanations given to us, these contracts or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, wherever no similar transactions were taken place during the year with other parties, we are unable to comment whether the same is on prevailing market prices or not.
6. In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
7. The company have internal audit system which commensurate with its size and nature of its business.

8. The Company has not prescribed to maintain of Cost Records under section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, cess, service tax and other material statutory dues applicable to it. No undisputed amounts payable were in arrears, as 31st March, 2012 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and records of the company examined by us there are no disputed amounts in respect of various statutes which have not been deposited.
10. The company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and immediately preceding financial year.
11. The company availed of overdraft facility against the lien of its own fixed deposits with banks. During the year under reference the company has not defaulted in repayment of its dues in this regards.
12. In our opinion and according to the information and explanations given to us, loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund, nidhi, mutual benefit fund or a society.
14. The company has maintained proper records of the transactions and contracts of its trading or dealing in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956 and a few shares held in broker's account as confirmed by them.
15. On the basis of the information and explanations given to us the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not obtained any term loan during the year. Accordingly clause 16 is not applicable to the company.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the company, no funds raised on short term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to the parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the year covered by our audit report, the company has not issued any secured debentures.
20. The company has not raised any money from public issues during the year.
21. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For BANSAL BANSAL & CO.

Chartered Accountants

Sd/-

Anand Drolia

Partner

M.No.036718

Firm Registration No.100986W

Place: Mumbai

Dated: 30th May, 2012

BALANCE SHEET AS AT MARCH 31, 2012

(Amount in INR)

Particulars	Note No.	As at March 31, 2012		As at March 31, 2011	
I Equity & Liabilities					
1. Shareholders' funds					
(a) Share Capital	2	319,954,810		319,954,810	
(b) Reserves and Surplus	3	574,909,762		561,530,835	
(c) Money received against share warrants		-		-	
			894,864,572		881,485,645
3. Non - Current Liabilities					
(a) Long -Term Borrowings		-		-	
(b) Deferred Tax Liabilities (Net)		885,711		553,369	
(c) Other Long - Term Liabilities		-		-	
(d) Long - Term Provisions		-		-	
			885,711		553,369
4. Current Liabilities					
(a) Short - Term Borrowings	4	244,764,508		8,919,526	
(b) Trade Payables	5	55,435		-	
(c) Other Current Liabilities	6	2,895,816		2,465,351	
(d) Short - Term Provisions	7	20,129,593		11,165,768	
			267,845,352		22,550,645
TOTAL			1,163,595,635		904,589,660
II Assets					
1. Non - Current Assets					
(a) Fixed Assets	8				
(i) Tangible Assets		33,516,525		10,921,808	
(ii) Intangible Assets		-		-	
(iii) Capital Work-in-Progress		-		-	
(b) Non - Current Investments	9	75,194,043		82,526,805	
(c) Long - Term Loans and Advances	10	1,651,000		1,651,000	
(d) Other Non - Current Assets	11	1,997,766		2,737,615	
			112,359,334		97,837,228
2. Current Assets					
(a) Inventories	12	108,465,872		79,123,474	
(b) Trade Receivables	13	12,888		21,324,521	
(c) Cash and Bank Balances	14	122,528,407		271,795,383	
(d) Short - Term Loans and Advances	15	817,755,151		430,736,920	
(e) Other Current Assets	16	2,473,983		3,772,134	
			1,051,236,302		806,752,432
TOTAL			1,163,595,635		904,589,660
Significant Accounting Policies	1				

As per our report of even date
For Bansal Bansal & Co.
 Chartered Accountants
 FRN : 100986W

For & on behalf of the Board

Sd/-
Anand Drolia
 Partner
 M. No. 036718
 Place : Mumbai
 Date : 30-05-2012

Sd/-
Anil Agarwal
 Managing Director

Sd/-
Ramadevi Gundeti
 Company Secretary

Sd/-
Bharat Shiroya
 Executive Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(Amount in INR)

	Particulars	Note No.	For the year ended March 31, 2012		For the year ended March 31, 2011	
I	Revenue from Operations	17	159,769,187		1,181,583,084	
II	Other Income	18	1,294,363		273,329	
III	Total Revenue (I + II)			161,063,550		1,181,856,414
IV	Expenses					
	Purchases of Shares	19	131,093,264		1,179,076,962	
	Changes in Inventories of Stock-in-trade	20	(29,342,398)		(40,323,472)	
	Employee Benefits Expenses	21	5,332,884		4,627,909	
	Finance Costs	22	1,757,073		799,905	
	Depreciation and Amortization Expense	8	1,122,989		838,732	
	Other Expenses	23	21,851,669		18,733,425	
	Total Expenses			131,815,481		1,163,753,461
V	Profit before Tax (III-IV)			29,248,069		18,102,952
X	Tax Expense:					
	(a) Current Tax		8,100,000		1,900,000	
	(b) Deferred Tax		332,343		77,868	
	(c) Income Tax of Earlier years written off (Back)		-		366,622	
	(e) MAT Credit Entitlement		-		-	
				8,432,343		2,344,490
XV	Profit After Tax for the Year from Continuing Operations			20,815,726		15,758,462
	There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations					
XVI	Earnings Per Equity Share (Face Value Rs. 1/- Per Share):	24				
	Basic & Diluted (Rs.)			0.07		0.05
	Significant Accounting Policies	1				

As per our report of even date
For Bansal Bansal & Co.
 Chartered Accountants
 FRN : 100986W

Sd/-
Anand Drolia
 Partner
 M. No. 036718
 Place : Mumbai
 Date : 30-05-2012

For & on behalf of the Board

Sd/-
Anil Agarwal
 Managing Director

Sd/-
Ramadevi Gundeti
 Company Secretary

Sd/-
Bharat Shiroya
 Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹		₹	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax for the year		29,248,069		18,102,952
Adjustments for :				
Interest Paid	1,757,073		799,905	
Depreciation	1,122,989		838,732	
(Profit) or Loss on sale of Fixed Assets	150,908		-	
Capital (Gain) or Loss on sale of Investments	(5,883,721)			
Provision for Doubtful Debts	2,788,540		751,385	
Baddebts Written Off	6,326,135		6,755,966	
Rent Received	(262,000)		(200,000)	
Misc. Expenses w/off	739,849	6,739,774	739,849	9,685,837
Operating Profit before Working Capital change		35,987,843		27,788,789
Adjustments for :				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(29,342,398)		(40,323,471)	
Trade receivables	21,311,633		4,711,788	
Short-term loans and advances	(382,742,991)		(300,045,798)	
Long-term loans and advances	-		-	
Other current assets	1,298,151		-	
Other non-current assets	-	(389,475,605)	-	(335,657,481)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	55,435		(24,307,043)	
Other current liabilities	430,466		327,644	
Other long-term liabilities	-		-	
Short-term provisions	-		-	
Long-term provisions	-	485,901	-	(23,979,399)
Cash Generated From Operations		(353,001,861)		(331,848,091)
Income Tax paid		12,501,374		4,441,083
NET CASH FROM OPERATING ACTIVITIES Total (A)		(365,503,235)		(336,289,174)
CASH FLOW FROM INVESTING ACTIVITIES				
Investments (Purchased)/Sold	13,216,483		(44,557,081)	
Fixed Assets (Purchased)/Sold	(23,868,614)		(4,374,540)	
Rent Received	262,000		200,000	
NET CASH USED IN INVESTING ACTIVITIES Total (B)		(10,390,132)		(48,731,621)

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Rs.		Rs.	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Equity Capital	-		639,876,160	
Dividend Paid (including Dividend Tax)	(7,461,516)		(9,357,789)	
Loan taken / (Repaid) in Secured Loan	235,844,980		(3,841,703)	
Preliminary Expenses Paid	-		(1,015,639)	
Interest paid	(1,757,073)		(799,905)	
NET CASH FROM FINANCING ACTIVITIES Total (C)		226,626,391		624,861,124
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)		(149,266,976)		239,840,329
Cash and Cash Equivalents -- Opening Balance		271,795,383		31,955,054
Cash and Cash Equivalents -- Closing Balance		122,528,407		271,795,383
		(0)		0

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

As per our report of even date attached

For Bansal Bansal & Co.

Chartered Accountants

FRN : 100986W

Sd/-

Anand Drolia

Partner

M. No. 036718

Place : Mumbai

Date : 30-05-2012

For & on behalf of the Board

Sd/-

Anil Agarwal

Managing Director

Sd/-

Ramadevi Gundeti

Company Secretary

Sd/-

Bharat Shiroya

Executive Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**NOTE –1'****SIGNIFICANT ACCOUNTING POLICIES:**

A. The financial accounts are prepared under the accrual method, unless otherwise stated, and at historical cost.

B. Use of Estimates

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

C. Accounting of Income/Expenditure

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

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

D. Investments:

- (i) Closing Stock of shares represents current investments. The same were valued at lower of cost or market value.
- (ii) Investments in Shares:
 - a) Investments are stated at cost
 - b) Dividend on shares trade as well as non trade is accounted for on receipt basis

E. Stock in Trade:

Closing stock in case of quoted shares has been valued at cost or market value whichever is lower. Wherever quotations are not available as on 31 March 2012, inventory has been valued at last traded price or at cost whichever is lower. Wherever quotations are not available due to scrip has been suspended / delisted for a considerable period of time by stock exchanges has been valued at nil rate.

E. Fixed Assets/Depreciation

- i) Fixed assets are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii) Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii) Depreciation on Fixed Assets added or sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

G. Taxation:

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

The company was availing 100% tax exemption u/s 10B of the Income tax Act 1961 till financial year 2010-2011. Following ASI (Accounting Standard Interpretation) 5, deferred tax in respect of timing difference which originate during the tax holiday period and reverse during the tax holiday period is not recognized.

H. Foreign Exchange Transactions:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Foreign currency monetary items are reported using the closing rates. Exchange difference arising on reporting them at closing rate i.e. at the rate different from those at which they were initially recorded are recognized as income or expenses as the case may be.

I. Retirement Benefits :

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

J. Impairment of assets

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

K. Earning per share

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

Note 2 - Share Capital

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised :		
40,00,00,000 Equity Shares (Previous Year 40,00,00,000) of Rs. 1/- each	400,000,000	400,000,000
TOTAL	400,000,000	400,000,000
Issued, Subscribed and Paid-up :		
31,99,38,080 Equity Shares (Previous Year 31,99,38,080) of Rs. 1/- each	319,938,080	319,938,080
Forfeited Shares	16,730	16,730
TOTAL	319,954,810	319,954,810
(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period		
Number of shares at the beginning of the year	319,938,080	159,969,040
Add: Number of Shares allotted fully paid up during the year	-	159,969,040
Less: Number of Shares bought back during the year	-	-
Number of shares outstanding as at the end of the year	319,938,080	319,938,080
(b) Terms / Rights attached to Equity Shares.		
i) The Company has only one class of Equity Shares having a par value of Rs. 1/- per share. Each holder of Equity Share is entitled to one vote per share.		
ii) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuring Annual General Meeting.		
iii) During the year ended 31st March 2012, amount of Dividend recognised as distributions to Equity Shareholders was Rs. 63,98,762/- (31st March, 2011 was Rs. 63,98,762/-).		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

iv) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(c) **The details of shareholders holding more than 5% shares.**

Name of the Shareholders	As at March 31, 2012		As at March 31, 2011	
	Nos. of Shares	% held	Nos. of Shares	% held
Luharuka Investment and Consultants Pvt Ltd	75552203	23.61%	74902000	23.41%
Luharuka Exports Private Limited	74752821	23.36%	74093060	23.16%

Note 3 - Reserves & Surplus
(i) Special Reserve

As per last Balance Sheet	17,303,361	14,151,669
Add: Transferred from Profit and Loss Account	4,163,145	3,151,692
Less: Transferred to Profit and Loss Account	-	-
	<u>21,466,506</u>	<u>17,303,361</u>

(ii) Share Premium

As per last Balance Sheet	522,567,120	42,660,000
Add: On Issue on Shares	-	479,907,120
	<u>522,567,120</u>	<u>522,567,120</u>

(iii) Surplus in the Profit & Loss Account

As per last Balance Sheet	21,660,355	16,515,101
Add: Profit for the year	20,815,726	15,758,462
Amount available for appropriations	42,476,082	32,273,563

Less: Appropriations

Transferred to Special reserve	(4,163,145)	(3,151,692)
Proposed dividend on Equity Shares [Dividend per share Re 0.02/- (Previous year Re. 0.02/-)]	(6,398,762)	(6,398,762)
Tax on Dividend	(1,038,039)	1,062,754
	<u>(11,599,946)</u>	<u>(10,613,208)</u>
	<u>30,876,136</u>	<u>21,660,355</u>

TOTAL
574,909,762
561,530,836
Note 4 - Short Term Borrowings

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Loans repayable on demand		
From banks		
Secured (against FDR)	69,513,001	8,919,526
Unsecured	-	-
	<u>69,513,001</u>	<u>8,919,526</u>
(b) Loans and advances from Others		
Secured	150,251,507	-
Unsecured	25,000,000	-
	<u>175,251,507</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(c) Loans and advances from related parties		
Secured	-	-
Unsecured	-	-
	244,764,508	8,919,526

Note 5 - Trade Payables

(a) Current payables (including acceptances) outstanding for less than 12 months	55,435	-
	55,435	-
(b) Detailed note on debts due by the following persons :		
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	14,800	-
TOTAL	14,800	-

Note 6 - Other Current Liabilities

Security Deposits from Arbitrators and Tenants	1,050,000	180,000
Outstanding Liabilities for Expenses	1,216,944	839,337
Advance Interest Received		817,142
Margin bill Discounting Deposit	45,720	45,720
Other Payables	583,152	583,152
TOTAL	2,895,816	2,465,351

Note 7 - Short-Term Provisions

Particulars	(Amount in INR)	
	As at March 31, 2012	As at March 31, 2011
Contingent provision for Standard Advances	1,960,982	1,049,712
Provision for doubtful debts	2,631,810	754,540
Provision for Taxation (net of taxes paid)	8,100,000	1,900,000
Provision for Proposed Dividend	6,398,762	6,398,762
Provision for Tax on Proposed Dividend	1,038,039	1,062,754
TOTAL	20,129,593	11,165,768

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 8 Fixed assets

A. Tangible assets : Own Assets	Gross block			Accumulated depreciation and impairment				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
(a) Office Premises	771,090	24,042,764	-	24,813,854	197,378	110,308	-	307,686	573,712
(b) Furniture and Fixtures	5,799,737	22,500	-	5,822,237	1,727,816	368,691	-	2,096,507	4,071,921
(c) Vehicles	5,645,859	-	865,496	4,780,363	6,72,811	505,162	454,588	723,385	4,973,048
(d) Office Equipments	1,257,678	59,300	-	1,316,978	340,199	61,368	-	401,567	917,479
(e) Computers & Software	476,500	4,050	-	480,550	90,853	77,460	-	168,313	385,647
Total	13,950,864	24,128,614	865,496	37,213,982	3,029,056	1,122,989	454,588	3,697,457	10,921,808
Previous year	9,576,324	4,374,540	-	13,950,864	2,190,327	838,732	-	3,029,059	7,385,997

SCHEDULE - 9

Non- Current Investments

Particulars	Nos.	Cost As on 31.03.2012	FMV As on 31.03.2012	Nos.	Cost As on 31.03.2011	FMV As on 31.03.2011
In Equity Shares of Associate Companies - Unquoted Fully paid-up						
Comfort Securities Ltd.	5,750,000	56,000,000	NA	5,750,000	56,000,000	NA
Comfort Comtrade Pvt.Ltd.	400,000	13,625,000	NA	100,000	4,025,000	NA
In Equity Shares of Others- Unquoted Fully paid-up						
The Malad Sahkari Bank Ltd	100	1,000	NA	100	1,000	NA
Total [A]	6,150,100	69,626,000	-	5,850,100	60,026,000	-
In Equity Shares of Others- Quoted Fully paid-up						
Syncom Formulation (I) Ltd	186453	5568043	9826073	-	-	-
Koutons Retail Ltd.	-	-	-	99,988	12,050,946	3,194,617
Indiabulls Power Ltd.	-	-	-	9,983	449,235	225,117
Adani Power Ltd.	-	-	-	6,000	600,000	676,800
8K Miles Software Services Ltd.	-	-	-	110,150	5,132,269	5,244,242
Svc resources Ltd.	-	-	-	266,666	4,268,355	3,586,658
Total [B]	186,453	5,568,043	9,826,073	492,787	22,500,805	12,927,432
TOTAL [A+B]	6,336,553	75,194,043	9,826,073	6,342,887	82,526,805	12,927,432



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 10 - Long - Term Loans & Advances		
Capital Advances	1,651,000	1,651,000
Security Deposits	-	-
	<u>1,651,000</u>	<u>1,651,000</u>
Note 11 - Other Non-Current Assets		
Miscellaneous Expenditure to the extent not w/off		
Preliminary Expenses	536,522	726,098
Right Issue Expenses (2009-10)	2,201,093	2,751,366
Add: During the year	-	-
Less: W/off during the year	(739,849)	(739,849)
	<u>1,997,766</u>	<u>2,737,615</u>
TOTAL	<u>1,997,766</u>	<u>2,737,615</u>
Note 12 - Inventories		
Stock-in-trade (Shares) (Valued at lower of cost or Market Value)	108,465,872	79,123,474
TOTAL	<u>108,465,872</u>	<u>79,123,474</u>
Note 13 - Trade Receivables		
(a) (i) Due for a period exceeding six months		
- Unsecured, considered good	-	-
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	<u>-</u>	<u>-</u>
(ii) Others		
- Unsecured, considered good	12,888	21,324,521
- Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
TOTAL	<u>12,888</u>	<u>21,324,521</u>
(b) Detailed note on debts due by the following persons :		
(i) Directors and other officers	-	-
(ii) Firms in which any director is a partner	-	-
(iii) Private companies in which director is a member/director	8,883	20,185,946
TOTAL	<u>8,883</u>	<u>20,185,946</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 14 - Cash & Bank Balances

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
Cash & Bank Balances		
(i) Balances with Banks :		
- Current Accounts	20,399,209	178,595,758
- Deposit Accounts (Under lien with Banks)	101,268,401	91,973,197
(ii) Cash-in-hand	860,797	1,226,428
(iii) Cheques & Drafts in-hand	-	-
	<u>122,528,407</u>	<u>271,795,383</u>
TOTAL	<u><u>122,528,407</u></u>	<u><u>271,795,383</u></u>

Note : Fixed Deposits with Banks include deposits of ₹ 101268401/- (Previous Year Rs. 91973197/-) with maturity of more than 12 months.

Note 15 - Short Term Loans & Advances

(a) (i) Security deposits & Int. receivable			
Secured, considered good	186,000		3,209,882
Unsecured, considered good	-		
Doubtful	-		
		<u>186,000</u>	<u>3,209,882</u>
(ii) Advances recoverable in cash or in kind for value to be received			
i) Advances Considered good & in respect of which Company is fully secured	752,310,834		310,442,273
ii) Advances Considered good for which Company holds no Security others than personal security	47,102,355		109,442,498
iii) Sub-Standard Advances in respect of which Company is fully secured	<u>3,772,700</u>	<u>803,185,889</u>	<u>423,657,471</u>
Secured, considered good	-		
Unsecured, considered good	-		
Doubtful	-		
		<u>-</u>	<u>-</u>
(iii) Prepaid Expenses		<u>83,604</u>	<u>171,283</u>
(iv) Share application money given		-	-
(v) Advance income tax , TDS & STT - Unsecured, considered good		<u>14,299,658</u>	<u>3,698,284</u>
TOTAL		<u><u>817,755,151</u></u>	<u><u>430,736,920</u></u>

Note 16 - Other Current Assets

FDR Interest Receivable (UBI)	1,338,005	3,611,423
FDR Interest Receivable (IDBI)	1,135,978	160,711
	<u>2,473,983</u>	<u>3,772,134</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 17 - Revenue from Operations

(Amount in INR)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Sales of Shares	55,276,638	1,081,240,555
Export sale of Software	1,200,585	12,635,892
Profit from F&O trading & Non-delivery transaction	(6,776,108)	13,707,324
Professional Fees received	92,000	-
Interest Received	98,378,453	65,941,306
Income from Mutual Fund	1,562,029	4,497,644
Dividend Received	2,005,631	889,664
Long Term Capital Gain on Shares	2,570,110	(456,675)
Short Term Capital Gain on Shares	3,313,611	2,024,586
Loan Processing Fees	2,146,238	445,273
Profit on Loan Recovery	0	657,515
TOTAL	159,769,187	1,181,583,084

Note : Sales of Shares include Stock transfer of ₹ 22,43,217/- from Stock-in-trade to Investments.

Note 18 - Other Income

Misc Income	849,414	68,923
Rent Received	262,000	200000
Commission / Brokerage Received	170,000	3,929
Sundry Balances Written Off	12,950	477
TOTAL	1,294,363	273,329

Note 19 - Purchases

Purchases of Shares	131,093,264	1,179,076,962
TOTAL	131,093,264	1,179,076,962

Note : Purchase of Shares include transfer of ₹ 1,20,50,946/- from Investments to Stock-in-trade.

Note 20 - Changes in Inventories of Stock-in-trade

Inventories at the end of the year		
Shares	108,465,872	79123474
Inventories at the beginning of the year		
Shares	79,123,474	38800002
Net (Increase) / Decrease in Inventories	(29,342,398)	(40,323,472)

Note 21 - Employment Benefit Expenses

Salaries , Bonus & Allowances	5,250,867	4,615,112
Staff Welfare Expenses	82,017	12,797
TOTAL	5,332,884	4,627,909

Note 22 - Financial Costs

Interest Expenses	1,757,073	799,905
TOTAL	1,757,073	799,905

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 23 - Other Expenses

	(Amount in INR)	
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Bad debts W/off	6,326,135	6,755,966
Charities & Donation	161,000	21,000
Demat & Share trf Expenses	238,925	157,277
Director's Sitting Fees	-	52,000
Commission Paid	2,491,609	-
Contract charges paid to Dealers	121,990	1,302,447
Electricity Expenses	600,261	118,140
Foreign Exchange Fluctuation Loss	18,281	303,857
Loss on Sale / Discard of Fixed Assets	150,908	
Legal & Professional Fees	1,972,084	583,626
Insurance Expenses	131,487	95,500
Rates & Taxes (Professional Tax)	2,500	2,500
Payments to Auditors :		
- Audit fees	75,000	82,725
- Tax Audit fees	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	-	82,725
Repair & Maintenance to Building	-	75,864
Repair & Maintenance to Other Assets	145,539	80,087
Rent	960,000	552,000
Share Trading Expenses	104,684	271,870
Securities Transaction Tax	364,785	4,735,183
Telephone , Telex and Postage	556,139	278,478
Travelling Expenses	1,399,797	482,175
Prov for Standard & Doubtful Advances	2,788,540	751,385
Preliminary Expenses W/off	189,576	189,576
Right Issue Expenses W/off	550,273	550,273
Miscellaneous Expenses	2,502,156	1,291,496
TOTAL	21,851,669	18,733,425

A sum of Rs. Nil (Previous Year ₹ 125000) (Net Debit) is included under miscellaneous expenses representing net prior period items.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 24 - Earnings Per Equity Share

(Amount in INR)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Net profit after tax attributable to equity shareholders for Basic EPS	20,815,726	15,758,462
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	20,815,726	15,758,462
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	319,938,080	319,938,080
(c) Face Value per Equity Share (₹)	1.00	1.00
Basic EPS	0.07	0.05

Note 25 - Amounts due to Micro, Small and Medium Enterprises:

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

Note 26-Previous year figures

The figures of the previous year have been re-arranged, re-grouped and re- classified wherever necessary.

27. Contingent liabilities & Commitments:

Particulars	2011-12 (₹)	2010-11 (₹)
Claims against the Company / Disputed Liabilities, not acknowledged as Debt	22,52,550	22,52,550
Bank Guarantee provided by Union Bank of India on behalf of Company in favor of Bombay Stock Exchange Limited in lieu of Security Deposit to Bombay Stock Exchange Limited	Nil	31,99,380

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

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

Particulars	2011-12 (₹)	2010-11 (₹)
Secured against Immovable Property	17,72,49,152	5,81,91,847
Secured against Shares	5,75,20,750	24,58,21,203

30. Foreign Currency Transactions:

Particulars	2011-12 (₹)	2010-11 (₹)
Outgo:		
Travelling Expenses	196,780	1,49,965
Legal & Professional Charges	5,41,343	-
Earnings:		
Export of Software	12,00,585	12,635,892

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

32. There are no dues to Micro and Small Enterprises as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
33. In accordance with Accounting standard 'AS-18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

Parties Where Control Exists: **Nil**

Parties with whom transaction have taken place.

A. Name of the related parties & description of relationship

- a) Key Managerial Personnel and their enterprises : Shri. Bharat Shiroya (Executive Director)
Smt. Annu Agrawal (Director)
Shri Anil Agrawal (Managing Director)
Anil Agrawal –HUF
(HUF of Mr. Anil Agrawal, Managing Director)
Shri Jugal Thacker (Independent Director)
Shri Janak Mehta (Independent Director)
Shri Anand Agarwal (Independent Director)
- b) Relative of Key Managerial Personne : M/s Luharuka Travels & M/s Luharuka Enterprises (Proprietorship concerns of Mr. Pradeep Agrawal, brother of Managing Director i.e. Anil Agrawal
- c) Associates : Comfort Securities Ltd
Comfort Fincap Ltd.
Comfort Commotrade Pvt. Ltd.
Comfort Capital Pvt. Ltd.
Luharuka Dealers Pvt. Ltd.
Luharuka Investment & Consultants Pvt. Ltd.
Luharuka Exports Pvt. Ltd.

B. Transactions during the year with related parties: -

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates
A	Proceeds from Issuance of Share	-	-	-
		(2,65,11,280)	-	(33,88,02,160)
	- Shri Anil Agrawal	-	-	-
		(20,08,380)	-	-
	- Smt. Annu Agrawal	-	-	-
		(2,34,97,592)	-	-
	- Anil Agrawal HUF	-	-	-
		(9,84,048)	-	-
	- Shri Bharat Shiroya	-	-	-
		(21,260)	-	-
	- Luharuka Exports Pvt. Ltd.	-	-	-
		-	-	(16,75,41,880)
	- Luharuka Investment & Consultants Pvt. Ltd.	-	-	-
		-	-	(17,12,60,280)
B	Equity Contribution	-	-	96,00,000
		-	-	(4,02,50,000)
	- Comfort Commotrade Pvt Ltd	-	-	96,00,000
		-	-	(17,50,000)
	- Comfort Securities Ltd	-	-	-
		-	-	(3,85,00,000)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates
C	i) Loan Taken	-	-	-
	- Comfort Capital Pvt Ltd	-	-	(2,80,00,000)
		-	-	(2,80,00,000)
	ii) Loan Repaid	-	-	-
	- Comfort Capital Pvt Ltd	-	-	(2,80,00,000)
		-	-	(2,80,00,000)
D	i) Loan Given	-	-	3,55,50,000
	- Luharuka Dealers Pvt Ltd	-	-	3,55,50,000
		-	-	-
	ii) Loan Received Back	-	-	3,55,50,000
	- Luharuka Dealers Pvt Ltd	-	-	3,55,50,000
		-	-	-
E	Expenditure;			
	Brokerage Paid	-	-	16,48,088
		-	-	(11,90,379)
	- Comfort Securities Ltd	-	-	16,48,088
		-	-	(11,90,379)
	- Demat Charges Paid	-	-	30,401
		-	-	(10,168)
	- Comfort Securities Ltd	-	-	30,401
		-	-	(10,168)
	Office Rent Paid	9,60,000	-	-
		(4,80,000)	-	-
	- Anil Agrawal HUF	4,80,000	-	-
		(2,40,000)	-	-
	- Smt. Annu Agrawal	4,80,000	-	-
		(2,40,000)	-	-
	Directors Sitting fees	-	-	-
		(52,000)	-	-
	- Smt. Annu Agrawal	-	-	-
		(22,000)	-	-
	- Shri Jugal Thacker	-	-	-
		(10,000)	-	-
	- Shri Janak Mehta	-	-	-
		(10,000)	-	-
	- Shri Anand Agarwal	-	-	-
		(10,000)	-	-
	Directors Remuneration	14,78,763	-	-
		(14,37,819)	-	-
	- Shri Anil Agrawal	7,20,000	-	-
		(7,05,000)	-	-
	- Shri Bharat Shiroya	7,58,763	-	-
		(7,32,819)	-	-
	Travelling Expenses	-	5,18,451	-
		-	(1,84,676)	-
	- Mr. Pradeep Agrawal	-	5,18,451	-
		-	(1,84,676)	-
	Misc. Expenses	-	12,400	-
		-	-	-
	- Mr. Pradeep Agrawal	-	12,400	-
		-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates
	Reimbursements Made	-	-	6,92,500
	- Comfort Capital Pvt Ltd	-	-	-
	- Comfort Fincap Ltd	-	-	3,00,000
		-	-	-
	Trademark Rent received	-	-	3,92,500
	- Comfort Securities Ltd	-	-	-
		-	-	(2,250)
		-	-	-
		-	-	(2,250)

Figure in bracket relates to previous year.

34. In accordance with Accounting standard AS -22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a net deferred tax liability of ₹ 3,32,343/- as on 31ST March, 2012. (Previous Year ₹ 77,868/-).

A	LIABILITY	Current Year	Previous Year
	WDV as per companies Act : ₹ 3,30,61,961	8,85,711	5,53,368
	WDV as per Income Tax Act: ₹ 3,03,32,076		
B	ASSETS	Nil	Nil
	Net Deferred Tax Liability (A-B)	8,85,711	5,53,368

35. Segment Reporting

The company had last year started its software and IT related operations and has identified two distinguishable reportable segments namely Non Banking Finance activities and IT related services. The segment reporting for the year ended on 31.03.2012, in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is as below:

(₹ In Lacs)

Particulars	Financial Services	Information Technology Services	Total
SEGMENT REVENUES			
External Sales	1,585.69	12.01	1,597.69
	(11,692.21)	(126.36)	(11,818.56)
Inter Segment Sales	-	-	-
	-	-	-
Total	1585.69	12.01	1,597.69
	(11,692.21)	(126.36)	(11,818.56)
Segment Results	290.45	2.03	292.48
	(72.87)	(108.16)	(181.03)
Less : Taxation			84.32
			(23.44)
Net profit			208.15
			(157.58)
Other information:			
Segment Assets	11,631.50	4.45	11,635.95
	(8,993.2)	(25.32)	(9,018.52)
Segment Liabilities	2,612.94	-	2,687.31
	(230.48)	(0.56)	(231.04)

Figure in bracket relates to previous year.

- A) The accounting policies adopted for segment reporting are in line with the accounting policies used in the preparation of financial statements.
- B) Segment Assets includes all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist primarily of deposits from customers, creditors and statutory liabilities.

36. Rights Issue and Utilization of Proceeds:

During the financial year 2010-11, Company had issued 15,99,69,040 Equity Shares of face value of ₹ 1/- at an issue price of ₹ 4/- per Equity Share by way of Rights Issue making total subscribed, issued and paid up equity share capital to ₹ 31,99,38,080 /- divided into 31,99,38,080 equity shares of ₹ 1/- each.

Utilization of Proceeds of Rights Issue:

The Company had utilized to the tune of ₹ 4413.72 lacs during the fiscal 2011 and balance has been utilized in the fiscal 2012. The statement of projected utilization of the Rights Issue proceeds as per Letter of Offer dated 27th May 2010 against actual utilization as on 31st March, 2011 and as of 31st March 2012 is as follows:

(₹ in Lacs)

Proceeds of Rights Issue		6,398.76	
Objects of the Rights Issue	Proposed Utilization of Rights Issue Proceeds	Actual Utilization of Rights Issue Proceeds during fiscal 2010-11	Actual Utilization of Rights Issue Proceeds during fiscal 2011-12
Capital for financing activity:-			
Margin funding, loan against shares & securities	3,000	1,530	782
Loan against properties	1,000	440	103.04
Corporate loan, bill discounting, working capital loan	1,000	1,231.21	1,100
Arbitrage activity	800	800*	-
Acquisition of Shares of Comfort Securities Pvt Ltd	330	385	-
Brand building	160	Nil	-
Rights Issue Expenses	108.76	27.51	-
Total	6,398.76	4,413.72	1,985.04

* Signifies the Payment to Broker against bills as well as for Margin requirements.

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

Schedule appended to the Balance Sheet of a Non-Banking Financial Company

[as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998]

(₹ in Lacs)

	2011-12		2010-11	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities Side:				
(1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	—	—	—	—
: Unsecured.....	—	—	—	—
(Other than falling within the meaning of public deposits)				
(b) Deferred Credits.....	—	—	—	—
(c) Term Loans.....	1752.52	—	—	—
(d) Inter-Corporate loans and borrowing.....	—	—	—	—
(e) Commercial Paper.....	—	—	—	—
(f) Public Deposits.....	—	—	—	—
(g) Other Loans.....	—	—	—	—
Bank Overdrafts.....	695.13	—	89.20	—
(2) Break-up of (1)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures.....	—	—	—	—
(b) In the form of partly secured debentures.....	—	—	—	—
(c) other public deposits.....	—	—	—	—
			<u>2011-12</u>	<u>2010-11</u>
Assets Side:			<u>Amount outstanding</u>	<u>Amount outstanding</u>
(3) Break-up of Loans and advances including bills Receivables [other than (3). those included in (4) below]:				
(a) Secured.....			7560.84	3142.15
(b) Unsecured.....			471.02	1094.42
(4) Break up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP activities				
i. Lease assets including lease rentals under sundry debtors:				
(a) Financial lease.....			—	—
(b) Operating lease.....			—	—
ii. Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire			—	—
(b) Repossessed Assets.....			—	—
iii. Hypothecation loans counting towards EL/HP activities				
(a) loans where assets have been repossessed.....			—	—
(b) Loans other than (a) above.....			—	—

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

	2011-12			2010-11		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related parties						
a) Subsidiaries	—	—	—	—	—	—
b) Companies in the same group	—	—	—	—	—	—
c) Other related parties.....	—	—	—	—	—	—
2) Other than related parties	7560.84	471.02	8031.86	3142.15	1094.42	4236.57
Total	7560.84	471.02	8031.86	3142.15	1094.42	4236.57

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

Category	2011-2012		2010-11	
	Market value/break up or fair value or NAV	Book value (Net of provisions)	Market value/break up or fair value or NAV	Book value (Net of provisions)
1. Related parties				
a. Subsidiaries	—	—	—	—
b. Companies in the same group	696.25	696.25	600.25	600.25
c. Other related parties.....	—	—	—	—
2. Other than related parties.....	1190.19	1140.34	1040.98	1016.24
TOTAL	1886.44	1836.59	1641.23	1616.49

(8) Other information

i) Gross Non-Performing Assets

	2011-12	2010-11
(a) Related parties.....	—	—
(b) Other than related parties	37.73	37.73

ii) Net Non-Performing Assets

(a) Related parties.....	—	—
(b) Other than related parties.....	37.73	37.73

iii) Assets acquired in satisfaction of debt.....

	—	—
--	---	---

For and on behalf of the Board

Sd/-
ANIL AGRAWAL
Chairman & Managing Director

Sd/-
BHARAT SHIROYA
Executive Director

Sd/-
RAMA DEVI GUNDETI
Company Secretary.

COMFORT INTECH LIMITED

Registered Office: 106, Avkar, Algani Nagar, Kalaria, Daman 396 210 (U.T.)

PROXY FORM

I/We _____ S/o, w/o, d/o _____

residing at _____

_____ being a member/member(s) of Comfort Intech Limited,

hereby appoint Mr./Mrs. _____ residing at

_____ or of failing him/her

Mr./Ms. _____ residing at _____

as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Saturday, 1st September, 2012 at 4.30 P.M at Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman - 396210 (U.T. of DAMAN and DIU) and at any adjournment thereof.

Affix Re.1/-
Revenue
Stamp

Signed this _____ day of _____ 2012.

Signature
(Please sign across the Stamp)

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

COMFORT INTECH LIMITED

Registered Office: 106, Avkar, Algani Nagar, Kalaria, Daman 396 210 (U.T.)

ATTENDANCE SLIP

I hereby record my presence at the Eighteenth ANNUAL GENERAL MEETING of the Company to be held on Saturday, 1st September, 2012 at 4.30 P.M at Cidade De Daman (Hotel Seaview Pvt. Ltd.), Devka Beach, Nani Daman - 396210 (U.T. of DAMAN and DIU) and at any adjournment thereof.

Full name of the Member (in BLOCK LETTERS) : _____

DP ID: _____ Client ID: _____ Folio No. _____ No. of Shares Held _____

Full name of Proxy (in BLOCK LETTERS) : _____

Member's / Proxy's Signature

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