

**Annual Report  
2011 - 2012**

**COMFORT FINCAP LIMITED**



<b>Contents</b>	<b>Page Nos.</b>
Board of Directors	2
Notice	3 - 4
Director's Report	5 - 6
Management Discussion and Analysis	7 - 9
Report on Corporate Governance	10 - 12
Auditor's Report	13 - 15
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18 - 19
Schedules	20 - 27
NBFC Schedule	28 - 30

**ANNUAL GENERAL MEETING**

**Day & Date :** Saturday, 15th September, 2012

**Time :** 4.30 P.M.

**Venue :** Premises No. 22, Block B,  
Northern Portion of Unit No. BG,  
Camac Street, Kolkata - 700 017

### **BOARD OF DIRECTORS :**

Mr. Bharat Shiroya : Managing Director  
Mr. Anil Agrawal : Director  
Mr. Anil Nevatia : Director  
Mr. Sushil Kasturchand Jain : Director

### **AUDITORS:**

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

### **REGISTRARS AND TRANSFER AGENTS:**

Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road,  
Saki Naka, Andheri (East),  
Mumbai – 400 072.  
Phone No. : 022-28470652,  
Fax No. : 022-28475207  
Email id.:info@bigshareonline.com,  
Website: www.bigshareonline.com

### **BANKERS:**

Axis Bank Limited.

### **REGISTERED OFFICE:**

Premises No. 22,  
Block B,  
Northern Portion of Unit No. BG,  
Camac Street,  
Kolkata – 700017  
Email.: info@comfortfincap.com  
Website: www.comfortfincap.com

## NOTICE

**NOTICE** is hereby given that the **ANNUAL GENERAL MEETING of COMFORT FINCAP LIMITED** will be held on Saturday, 15th September, 2012 at 4.30 P.M at Premises No. 22, Block B, Northern Portion of Unit No. BG, Camac Street, Kolkata - 700 017 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 appoint a Director in place of Mr. Sushil Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

### SPECIAL BUSINESS:

4. 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, Managing Director with effect from 1st October, 2011.
  - 1) Salary ₹ 25,000/- per month.  
Other allowances and benefits as per the rules of the Company."

Place :Kolkata

Dated : 21/07/2012

**By Order of the Board**

Sd/-  
**Anil Agrawal**  
Director

### 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 item 4 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 11/09/2012 to 15/09/2012 (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. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.

**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 4 of the accompanying Notice:

**Item No. 4**

**Mr. BHARAT SHIROYA** was appointed as Managing Director of the Company in the meeting of the Board of Directors held on 1st October, 2011 for a period of 3 years.

The main terms of appointment of Mr. Bharat Shiroya, as Managing Director are as under:

Salary from Rs. 25,000/- per month.

Other allowances and 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.

**By Order of the Board**

Place :Kolkata

Dated : 21/07/2012

Sd/-  
**Anil Agrawal**  
Director

## DIRECTORS' REPORT

### To the Members of the Company,

Your Directors have pleasure in presenting the 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 31ST MARCH 2012	YEAR ENDED 31ST MARCH 2011
Income from Operations	3948.76	267.13
Profit Before Depreciation and Taxes	84.69	0.58
Less: Depreciation	1.18	0.01
Less : Provision for		
(a) Income tax	25.00	-
(b) Deferred tax	(0.01)	0.01
Income Tax paid of Earlier years	-	-
Provisions for Loans & Advances	-	-
Profit for the Year	58.53	0.56
Add: Brought forward from last year	163.69	163.24
Distributable Profits	222.22	163.80
Appropriated as under :		
Transfer to Special Reserve	(11.71)	(0.11)
Proposed Equity Dividend	(21.70)	-
Tax on Distributed Profits	(3.52)	-
Balance Carried Forward to Balance sheet	185.29	163.69

### DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2011-12 on Equity Shares of ₹ 10/- each at 0.2 paise per share equivalent to 2% aggregating to ₹ 2,170,260/- (Rupees Twenty One Lakhs Seventy thousand Two Hundred and Sixty Only)

### FINANCIAL HIGHLIGHTS:

- Income from operations stood at ₹ 3948.76 lacs for fiscal 2012
- Profit before taxes for fiscal 2012 is ₹ 83.51 lacs
- Profit after taxes for fiscal 2012 is ₹ 58.53 lacs
- Basic earning per share for fiscal 2012 was ₹ 0.57 per share

### DIRECTORS:

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

During the year Mr. Bharat Shiroya was appointed as Managing Director of the company w.e.f 1st October, 2011 and Mrs. Annu Agrawal resigned from the post of Director on 1st October, 2011.

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (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.

### **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.

### **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 Calcutta Stock Exchange Limited, Delhi Stock Exchange and Uttar Pradesh Stock Exchange Limited. The company is regular in payment of listing fee.

### **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.

### **SHIFTING OF REGISTERED OFFICE OF THE COMPANY:**

Your company has shifted its Registered Office from 8, Lyons Range, 5th Floor, Kolkata – 700001 to Premises No. 22, Block B, Northern Portion of Unit No. BG, Camac Street, Kolkata - 700 017 for more operational convenience with effect from 15th March, 2012.

### **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, Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited and Uttar Pradesh 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.

Place : Kolkata

Dated: 21/07/2012

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**Bharat Shiroya**  
Managing Director

Sd/-  
**Anil Agrawal**  
Director

## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Overview:

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.

NBFCs can be divided into deposit taking NBFCs, i.e., which accept deposits from public and non-deposit accepting or holding NBFCs being those which do not accept deposits from public.

### Business Overview:

Our Company was originally incorporated as Parasnath Textiles Limited (PTL) on 12.11.1982 under the Companies Act, 1956 in the State of West Bengal thereafter the Company's name was changed from Parasnath Textiles Limited to Comfort Fincap Limited vide fresh certificate of incorporation dated 4th June, 2011.

The object was to carry on the business of manufacturers and dealers in textiles, investment /trading in shares & securities etc and registered with RBI as a Non Banking Financial Company ('NBFC').

Our Company is a non deposit taking NBFC, registered with the RBI, 15th September, 1998 vide Registration No. 05.02895. The Company is providing various financial solutions such as advancing loans against listed shares & securities and properties, corporate loans, personal loans, trade financing, bills discounting etc.

Our Company is appointed as a Sales Promotion Agent of Raymond Ltd. for domestic sales of its products in Indian market on commission basis. This agreement will enable us to grab business opportunities available in the textile market, expand into new geographic areas, enter new product markets etc.

However from current financial year 2012-13, our Company is solely concentrating in the NBFC segment.

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

### PRODUCTS & SERVICES

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

- ✓ advancing loans against listed shares, securities and properties
- ✓ margin funding
- ✓ corporate loans
- ✓ personal loans
- ✓ trading in shares & securities
- ✓ trade financing
- ✓ bills discounting etc.

### FINANCIAL PERFORMANCE

During the fiscal 2011 - 12, the gross operational income of the Company stood at ₹ 3949.73 Lacs as compared to previous fiscal of ₹ 268.53 Lacs. And accordingly the Company profits have considerably increased from ₹ 0.56 Lacs in fiscal 2010 - 11 to ₹ 58.53 Lacs in fiscal 2011 - 12.

#### Our Strengths:-

- ✓ Ready contacts for business development:
- ✓ Promoted and managed by qualified and experienced professionals
- ✓ Support of Group Entity

#### Weakness:

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

#### Opportunities:

- ✓ 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. Further, in the textile sector lot of opportunities are available in domestic market since western countries are setting up their manufacturing units in India.
- ✓ 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 from 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.

#### Our Strategy

- ✓ Expansion of existing activities
- ✓ Financial Management/Advisory Services
- ✓ Differentiated Services
- ✓ Brand recognition

#### 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.

**Risks & Concerns:**

Non Banking finance companies face competition from each other & from banks as well and many foreign players are also entering in the market. Change in government rules & regulations and change in regulatory policies of Reserve Bank of India may affect the business operations and profitability of company. Company may face risk of deterioration of quality of advances, which may wipe out the profits of company. Substantial activities of company include trading in shares and securities so profitability of company depends upon volatility of stock market.

**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.

## CORPORATE GOVERNANCE REPORT

### 1) COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Securities and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement and subsequently amended from time to time.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees.

### 2) BOARD OF DIRECTORS:

a) 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 Four Members.

Mr. Bharat Shiroya	-	Executive & Non Independent Director
Mr. Anil Agrawal	-	Non-Executive & Non Independent Director
Mr. Anil Nevatia	-	Non-Executive & Independent Director
Mr. Sushil Kasturchand Jain	-	Non-Executive & Independent Director

None of Directors has pecuniary or Business relationship with the Company except as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total Thirteen Board Meetings held on 09/04/2011, 23/04/2011, 14/05/2011, 27/06/2011, 12/07/2011, 30/08/2011, 03/09/2011, 24/09/2011, 01/10/2011, 21/10/2011, 08/02/2012, 15/03/2012 and 31/03/2012. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sl. No.	Name of Director	Category	No. of Meetings Attended	Attendance at Last AGM	No. of other Directorships (Excl private and foreign)	No. of Committee membership In Company
1.	Mr. Bharat Shiroya	Managing Director	4	No	3	0
2.	Mr. Anil Agrawal	Director	13	Yes	4	3
3.	Mr. Anil Nevatia	Director	12	Yes	1	3
4.	Mr. Sushil Kasturchand Jain	Director	12	Yes	2	3
5.	Mrs. Annu Agrawal*	Director	9	Yes	2	0

\*During the year Mr. Bharat Shiroya was appointed as Managing Director of the company w.e.f 1st October, 2011 and Mrs. Annu Agrawal has resigned from the post of Director on 1st October, 2011.

### 3) AUDIT COMMITTEE

The company has constituted the Audit Committee on 09/04/2011 with the following Members:-

1. Mr. Anil Kumar Nevatia
2. Mr. Sushil Jain
3. Mr. Anil Agrawal

### 4) REMUNERATION COMMITTEE

The company has constituted the Remuneration Committee on 09/04/2011 with the following Members:-

1. Mr. Sushil Jain
2. Mr. Anil Kumar Nevatia
3. Mr. Anil Agrawal\*

\*During the year Mrs. Annu Agrawal, member of the Remuneration Committee has been resigned and Mr. Anil Agrawal has been appointed as a member of the Committee.

**5) SHAREHOLDERS GRIEVANCES / INVESTOR'S SERVICE COMMITTEE**

The company has constituted the Shareholders Grievance Committee on 09/04/2011 with the following Members:-

- a. Mr. Sushil Jain
- b. Mr. Anil Kumar Nevatia
- c. Mr. Anil Agrawal

**6) GENERAL BODY MEETINGS :**

A. Particulars of General meetings held during last three years

Year	Location	Date	Time
2008-2009	17, Dover Road, Kolkata - 700019	07.09.2009	12.30 P.M
2009-2010	17, Dover Road, Kolkata - 700019	30.09.2010	11.00 A.M
2010-2011	8, Lyons Range, 5th Floor, Kolkata – 700 001	30.09.2011	11.00 A.M

B. Extraordinary General meetings held during the year:

Date	Location	Time
07/05/2011	17, Dover Road, 1st Floor, Kolkata - 700019	04.00 P.M.

**7) DISCLOSURES:**

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

There were no fresh instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI, except delay in filing of returns with the DSE, revocation of suspension in Trading.

**8) MEANS OF COMMUNICATION:**

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

Financial Result	Un-audited / Audited*	Newspaper
First Quarter	Un-audited	Business Standard & Kalantar
Second Quarter	Un-audited	Business Standard & Kalantar
Third Quarter	Un-audited	Business Standard & Kalantar
Fourth Quarter / Full year	Audited	The Financial Express & Kalantar

\* 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 the result to the Stock Exchange where the shares of the Company is listed and published in news papers as indicated above and also put on Company's website [www.comfortfincap.com](http://www.comfortfincap.com),

Note: Un-audited Financial Results were intimated to Stock Exchanges within 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**

The Directors Report includes management Discussions and analysis.

**c. GENERAL SHAREHOLDERS INFORMATION:**

The Annual General Meeting is scheduled to be held on Saturday, 15th September, 2012 at 04.30 p.m. at its registered office, Premises No. 22, Block B, Northern Portion of Unit No. BG, Camac Street, Kolkata - 700 017 .

The Financial year of the company is from April to March.

Tentative calendar for the year 2012-13 is as per following:-

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

Results for the quarter ending on 30th Sept. 2012: Second Week of Nov. 2012.

Results for the quarter ending on 31st Dec. 2012: Second Week of Feb. 2013.

Results for the quarter ending on 31st March 2013: Last Week of May 2013.

Book Closure dates are from 11th September 2012 to 15th September 2012 (both days inclusive).

The Board of Directors has recommended 2% dividend for the current financial year.

The company's shares are listed at the Calcutta Stock Exchange, Delhi Stock Exchange and Uttar Pradesh Stock Exchange. The Annual listing fees as prescribed by the Exchange(s) where shares of the Company are listed is paid upto 31st March 2013.

### Stock Code

Trading Symbol at : Calcutta Stock Exchange Limited (Physical Segment)  
Scrip Code 26078  
Delhi Stock Exchange Limited  
Uttar Pradesh Stock Exchange Limited  
Scrip Code P00032

Demat ISIN Number in : Equity Shares INE274M01018  
NSDL & CDSL

Share Transfer System : Share transfer in physical form are presently registered and returned within a period of 30 days from the date of lodgment, in case the documents are complete in all respects. The Share Transfer Committee meets once a month if there are transfers to be approved.

Stock Market data from April 2011 to March 2012:

- No scripts were traded in the Calcutta Stock Exchange, Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange during the financial year. Therefore no stock market data has been given.

### DISTRIBUTION OF SHAREHOLDINGS AS ON 31st March 2012

Shares or Debentures Holding of nominal value of		Shares / debenture Holders		Share / Debenture amount	
₹	₹	Number	% total	( In ₹)	% of total
Upto	5000	479	78.52	583500	0.54
5001 -	10000	9	1.48	78000	0.07
10001 -	20000	14	2.30	225500	0.21
20001 -	30000	2	0.33	60000	0.05
30001 -	40000	2	0.33	75000	0.07
40001 -	50000	6	0.98	291000	0.27
50001 -	100000	8	1.31	627500	0.58
100001 and above		90	14.75	106572500	98.21
Total		610		108513000	100.00

### Registrar and Transfer Agent.

The name and address of Company's Transfer Agent is as per following:

#### Bigshare Services Pvt. Ltd.

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

Phone No. : 022-28470652, Fax No. : 022-28475207

Email id.:info@bigshareonline.com, Website: www.bigshareonline.com

### GDRs / ADRs/Warrant etc.:

The Company did not issue any GDRs / ADRs/Warrants or any convertible instruments.

## AUDITORS' REPORT

To,  
The Members of  
**Comfort Fincap Ltd**

We have audited the attached Balance Sheet of COMFORT FINCAP 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 in the financial statements of Employers.
- 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: 30<sup>th</sup> May, 2012**

### ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date to the Members of COMFORT FINCAP 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.
  - a) The company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) 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 been 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 made preferential allotment of shares to parties or Companies covered in the register maintained under Section 301 of the Companies Act, 1956. However such allotment were made as per pricing guidelines issued by SEBI and as such were not prejudicial to the interest of the Company.
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: 30<sup>th</sup> 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
<b>I Equity &amp; Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	108,513,000	80,363,000
(b) Reserves and Surplus	3	104,715,817	78,865,436
(c) Money received against share warrants		-	-
		<b>213,228,817</b>	159,228,436
<b>2. Share application money pending allotment</b>			
		-	-
<b>3. Non - Current Liabilities</b>			
(a) Long -Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	4	-	1,003
(c) Other Long - Term Liabilities		-	-
(d) Long - Term Provisions		-	-
		-	1,003
<b>4. Current Liabilities</b>			
(a) Short - Term Borrowings	5	1,721,995	5,678,010
(b) Trade Payables	6	492,986	6,310,015
(c) Other Current Liabilities	7	93,688	49,075
(d) Short - Term Provisions	8	6,318,780	314,060
		<b>8,627,449</b>	12,351,160
<b>TOTAL</b>		<b>221,856,266</b>	<b>171,580,599</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	920,242	46,920
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non - Current Investments		-	-
(c) Long - Term Loans and Advances		-	-
(d) Other Non - Current Assets	10	789,436	648,905
		<b>1,709,678</b>	695,825
<b>2. Current Assets</b>			
(a) Inventories	11	42,813,807	26,120,557
(b) Trade Receivables		-	-
(c) Cash and Cash equivalents	12	32,876,817	123,183,353
(d) Short - Term Loans and Advances	13	142,301,703	21,251,524
(e) Other Current Assets	14	2,154,261	329,341
		<b>220,146,588</b>	170,884,774
<b>TOTAL</b>		<b>221,856,266</b>	<b>171,580,599</b>
Significant Accounting Policies	1		

As per our report of even date

For **Bansal Bansal & Co.**

Chartered Accountants

FRN : 100986W

**Anand Drolia**  
Partner  
M. No. 036718

Place : Mumbai

Dated : 30<sup>th</sup> May, 2012

For & on behalf of the Board

Sd/-  
**Anil Agrawal**  
Director

Sd/-  
**Bharat Shiroya**  
Managing 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	15	394,876,481	26,713,644
II Other Income	16	97,098	139,332
<b>III Total Revenue (I + II)</b>		<b>394,973,579</b>	<b>26,852,976</b>
<b>IV Expenses</b>			
Purchases	17	395,908,057	50,990,656
Changes in Inventories	18	(16,693,250)	(26,120,557)
Employee Benefits Expenses	19	1,814,108	50,893
Finance Costs	20	213,308	27,705
Depreciation and Amortization Expense	9	117,613	539
Other Expenses	21	5,262,035	1,845,995
<b>Total Expense</b>		<b>386,621,871</b>	<b>26,795,231</b>
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>8,351,708</b>	<b>57,745</b>
VI Exceptional Items		-	-
<b>VII Profit before Extraordinary Items and Tax (V-VI)</b>		<b>8,351,708</b>	<b>57,745</b>
VIII Extraordinary Items		-	-
<b>IX Profit Before Tax (VII-VIII)</b>		<b>8,351,708</b>	<b>57,745</b>
<b>X Tax Expense:</b>			
(a) Current Tax		2,500,000	-
(b) Deferred Tax		(1,003)	1,003
(c) Tax of Earlier Year		-	-
(d) MAT Credit Entitlement		-	-
		<b>2,498,997</b>	<b>1,003</b>
<b>XI Profit for the Period from Continuing Operations (IX - X)</b>		<b>5,852,711</b>	<b>56,742</b>
XII Profit/(Loss) for the Period from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
<b>XIV Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit for the Period (XI + XIV)</b>		<b>5,852,711</b>	<b>56,742</b>
XVI Earnings Per Equity Share (Face Value ₹ 10/- Per Share):	22		
Basic (₹)		<b>0.57</b>	<b>0.05</b>
Significant Accounting Policies	1		

As per our report of even date

For **Bansal Bansal & Co.**

Chartered Accountants

FRN : 100986W

**Anand Drolia**  
Partner  
M. No. 036718

Place : Mumbai

Dated : 30<sup>th</sup> May, 2012

For &amp; on behalf of the Board

Sd/-  
**Anil Agrawal**  
Director

Sd/-  
**Bharat Shiroya**  
Managing Director

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

	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax for the year	8,351,708	57,745
<b>Adjustments for :</b>		
Interest Paid	213,308	27,705
Depreciation	117,613	539
Capital Gains on sale of Investments	(2,137,651)	(2,312,254)
Provision for Doubtful Debts	982,390	-
Profit on Sale of Assets	-	(129,557)
Misc. Expenses w/off	197,344	-
	<b>(626,996)</b>	<b>(2,413,567)</b>
<b>Operating Profit before Working Capital change</b>	<b>7,724,712</b>	<b>(2,355,822)</b>
<b>Adjustments for :</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(16,693,250)	(26,120,557)
Trade receivables	-	(5,227,294)
Short-term loans and advances	(118,717,017)	(14,778,590)
Long-term loans and advances	-	-
Other current assets	(1,824,920)	-
Other non-current assets	-	-
	<b>(137,235,187)</b>	<b>(46,126,441)</b>
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(5,817,029)	6,310,015
Other current liabilities	44,613	35,974
Other long-term liabilities	-	-
Short-term provisions	982,390	-
Long-term provisions	-	-
	<b>(4,790,026)</b>	<b>6,345,989</b>
<b>Cash Generated From Operations</b>	<b>(134,300,501)</b>	<b>(42,136,274)</b>
Income Tax paid	3,315,552	(24,662)
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>	<b>(137,616,053)</b>	<b>(42,111,612)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments (Purchased)/Sold	2,137,651	27,791,671
Fixed Assets (Purchased)/Sold	(990,935)	532,542
Rent Received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>	<b>1,146,716</b>	<b>28,324,213</b>

	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Capital	28,150,000	73,000,000
Share Premium	22,520,000	58,400,000
Dividend Paid	-	-
Loan taken / (Repaid) in Secured Loan	(3,956,015)	5,597,544
Preliminary Expenses Paid	(337,875)	(648,905)
Interest paid	(213,308)	(27,705)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>	<b>46,162,802</b>	136,320,934
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)	<b>(90,306,536)</b>	122,533,535
Cash and Cash Equivalents -- Opening Balance	<b>123,183,353</b>	649,818
Cash and Cash Equivalents -- Closing Balance	<b>32,876,817</b>	123,183,353
	<b>(0)</b>	-

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

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

For & on behalf of the Board

**Anand Drolia**  
Partner  
M. No. 036718

Sd/-  
**Anil Agrawal**  
Director

Sd/-  
**Bharat Shiroya**  
Managing Director

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2012

## 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.

#### F. 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 Written down Value 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.

#### 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.

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.

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

## Note 2 - Share Capital

(a) Particulars	(Amount in INR)	
	As at March 31, 2012	As at March 31, 2011
<b>Authorised :</b>		
1,10,00,000 Equity Shares (Previous Year 1,10,00,000) of ₹ 10/- each	110,000,000	110,000,000
<b>TOTAL</b>	<b>110,000,000</b>	<b>110,000,000</b>
<b>Issued and Subscribed :</b>		
1,08,51,300 Equity Shares (Previous Year 80,36,300) of ₹ 10/- each	108,513,000	80,363,000
<b>TOTAL</b>	<b>108,513,000</b>	<b>80,363,000</b>
<b>Subscribed and Paid-up :</b>		
1,08,51,300 Equity Shares (Previous Year 80,36,300) of ₹ 10/- each	108,513,000	80,363,000
<b>TOTAL</b>	<b>108,513,000</b>	<b>80,363,000</b>

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

- The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2012, the Company has declared dividend @ 2%.
- On receipt of shareholders' approval in EGM on 7th May, 2011 the Company has issued and allotted 28,15,000 Equity Shares of ₹10/- each in the Board meeting held on 27th June, 2011.
- In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

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

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Number of shares at the beginning of the year</b>	8,036,300	736,300
<b>Add: Issue of Shares during the year</b>		
Number of shares allotted as fully paid-up during the year	2,815,000	7,300,000
	2,815,000	7,300,000
<b>No. of shares at the end of the year</b>	<b>10,851,300</b>	<b>8,036,300</b>

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

No. of Shares held by	As at March 31, 2012		As at March 31, 2011	
	Nos.	%	Nos.	%
Luharuka Sales & Services Pvt Ltd			540,500	6.73%
Luharuka Commotrade Pvt Ltd	3,668,500	33.81%	3,668,500	45.65%
Anil Agarwal HUF	1,215,000	11.20%		

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

Particulars	(Amount in INR)			
	As at March 31, 2012		As at March 31, 2011	
<b>Note 3 - Reserves &amp; Surplus</b>				
<b>Securities Premium Reserve</b>				
As per last Balance Sheet	58,400,000		-	
Add: On issue of shares	<u>22,520,000</u>	80,920,000	<u>58,400,000</u>	58,400,000
<b>Special Reserve</b>				
As per last Balance Sheet	4,096,144		4,084,796	
Add: Transfer from Profit and Loss Account during the year	<u>1,170,542</u>		<u>11,348</u>	
		5,266,686		4,096,144
<b>Surplus in the Profit &amp; Loss Account</b>				
As per last Balance Sheet	16,369,292		16,323,898	
Add: Profit / (Loss) for the year	<u>5,852,711</u>		<u>56,742</u>	
Amount available for appropriations	22,222,003		16,380,640	
<b>Appropriations:</b>				
Add: Transferred from reserves	-		-	
Less: Transferred to special reserve	(1,170,542)		11,348	
Proposed dividend	(2,170,260)		-	
Corporate Dividend Tax	<u>(352,070)</u>		<u>-</u>	
	(3,692,873)	<u>18,529,131</u>	<u>11,348</u>	<u>16,369,292</u>
<b>TOTAL</b>		<b><u>104,715,817</u></b>		<b><u>78,865,436</u></b>
<b>Note 4 - Deffered Tax Liabilities</b>				
Deffered Tax Liabilities (opening)		1,003		-
Add / Less: During the Year		<u>(1,003)</u>		<u>1,003</u>
		<u>-</u>		<u>1,003</u>
<b>Note 5 - Short Term Borrowings</b>				
(a) Loans repayable on demand From banks				
Secured (against lien of Fixed Deposits)	<u>1,721,995</u>		<u>5,678,010</u>	
		<u>1,721,995</u>		<u>5,678,010</u>
		<u>1,721,995</u>		<u>5,678,010</u>
<b>Note 6 - Trade Payables</b>				
Trade Payables		<u>492,986</u>		<u>6,310,015</u>
		<b><u>492,986</u></b>		<b><u>6,310,015</u></b>
<b>Note 7 - Other Current Liabilities</b>				
Other Payables		<u>93,688</u>		<u>49,076</u>
<b>TOTAL</b>		<b><u>93,688</u></b>		<b><u>49,076</u></b>
<b>Note 8 - Short-Term Provisions</b>				
Provision for Sub Standard Assets	655,000		-	
Contingent Liabilities for Standard Asset	327,390		-	
Provision for Proposed Dividend	2,170,260			
Provision for Tax on Proposed Dividend	352,070			
Provision for Taxation	<u>2,814,060</u>	<u>6,318,780</u>	314,060	<u>314,060</u>
<b>TOTAL</b>		<b><u>6,318,780</u></b>		<b><u>314,060</u></b>

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

Note 9 Fixed assets											
A.	Tangible 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, 2012	Balance as at 31 March, 2011
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
	(a) Plant and Equipment										
	Owned	47,459	990,935	-	1,038,394	539	117,613	-	118,152	920,242	46,920
	(Motor Vehicle)										
	<b>Total</b>	<b>47,459</b>	<b>990,935</b>	<b>-</b>	<b>1,038,394</b>	<b>539</b>	<b>117,613</b>	<b>-</b>	<b>118,152</b>	<b>920,242</b>	<b>46,920</b>
	Previous year	-	-	-	-	-	-	-	-	-	-

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Note 10 - Other Non-Current Assets</b>		
Miscellaneous Expenditure to the extent not w/off	648,905	-
Add: During the year	337,875	648,905
Less: W/off during the year	197,344	-
	789,436	648,905
<b>TOTAL</b>	<b>789,436</b>	<b>648,905</b>

(Amount in INR)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Note 11 - Inventories</b>		
Stock-in-trade (Shares)	42,813,807	26,120,557
(Valued at lower of cost or Market Value)		
<b>TOTAL</b>	<b>42,813,807</b>	<b>26,120,557</b>

(Amount in INR)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Note 12 - Cash &amp; Cash equivalents</b>		
<b>Cash &amp; Cash Equivalents</b>		
(i) Balances with Banks :		
- Current Accounts	4,113,971	90,118,667
- Deposits (under lien with banks)	27,850,000	33,000,000
(ii) Cash-in-hand	712,846	64,686
(iii) Others	200,000	-
	32,876,817	123,183,353
<b>TOTAL</b>	<b>32,876,817</b>	<b>123,183,353</b>

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

Particulars	(Amount in INR)	
	As at March 31, 2012	As at March 31, 2011
<b>Note 13 - Short Term Loans &amp; Advances</b>		
(a)		
(i) <b>Security deposits</b>		
Secured, considered good	-	11,030
Unsecured, considered good	1,000,000	-
Doubtful	-	-
	1,000,000	11,030
(ii) <b>Advances recoverable in cash or in kind for value to be received</b>		
i) Advances Considered good & in respect of which Company is fully secured	65,768,615	15,038,219
ii) Advances Considered good for which Company holds no Security others than personal security	65,187,224	5,740,140
iii) Sub-Standard Advances in respect of which Company is fully secured		
Secured, considered good	6,550,000	
Unsecured, considered good	-	
Doubtful	-	
	137,505,839	20,778,359
(iii) <b>Advance Income Tax and TDS - Unsecured, considered good</b>		
Income Tax paid	3,777,687	462,135
(iv) <b>Prepaid Expenses</b>	18,177	-
<b>TOTAL</b>	<b>142,301,703</b>	<b>21,251,524</b>
<b>Note 14 - Other Current Assets</b>		
Interest accrued on Fixed Deposits	2,124,425	329,341
The Calcutta Stock Exchange Limited	29,836	-
<b>TOTAL</b>	<b>2,154,261</b>	<b>329,341</b>

**Note 15 - Revenue from Operations**

Particulars	(Amount in INR)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Sales of Shares	366,391,230	24,512,958
Profit from F&O Trading and Non Delivery Transactions	4,429,863	370,821,092
Commission Income	8,493,792	(834,180)
Interest Income	12,116,890	23,678,778
Loan Processing Income	-	-
Dividend Income	-	150,000
Dividend Income	463,147	112,280
Income From Mutual Fund	843,909	52,846
Short Term Capital Gain / (Loss)	2,137,651	(658,250)
Long Term Capital Gain / (Loss)	-	2,970,504
<b>TOTAL</b>	<b>394,876,481</b>	<b>26,713,644</b>

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

Particulars	(Amount in INR)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Note 16 - Other Income</b>		
Interest on IT Refund	-	5,092
Other Misc. income	97,098	397
Profit on Sale of Fixed Assets	-	133,843
	<u>97,098</u>	<u>139,332</u>
<b>TOTAL</b>	<b><u>97,098</u></b>	<b><u>139,332</u></b>
<b>Note 17 - Purchases of Stock in Trade</b>		
Purchase of Shares	395,908,057	50,990,656
<b>TOTAL</b>	<b><u>395,908,057</u></b>	<b><u>50,990,656</u></b>
<b>Note 18 - Changes in Inventories of Stock-in-trade</b>		
<b>Inventories at the end of the year</b>		
Shares	42,813,807	26,120,557
<b>Inventories at the beginning of the year</b>		
Shares	26,120,557	-
Net (Increase) / Decrease in Inventories	<u>(16,693,250)</u>	<u>(26,120,557)</u>
<b>Note 19 - Employment Benefit Expenses</b>		
Salary	1,604,796	50,893
Staff Welfare Expenses	209,312	-
<b>TOTAL</b>	<b><u>1,814,108</u></b>	<b><u>50,893</u></b>
<b>Note 20 - Financial Costs</b>		
Interest Expenses	213,308	27,705
<b>TOTAL</b>	<b><u>213,308</u></b>	<b><u>27,705</u></b>
<b>Note 21 - Other Expenses</b>		
Share Trading Expenses	661,991	99,668
Arbitrage Contract Charges	271,409	-
Donation	-	500,000
Insurance	8,256	976
Legal & Professional Charges	376,912	95,500
Loss on Sale of Fixed Assets	-	4,286
Miscellaneous Expenditure W/off	197,344	-
Office Rent & Maintenance	-	169,500
Provision for Standard & Sub-Std Advances	982,390	-
Professional Tax	2,500	2,500
Payments to Auditors :		
- Audit fees	25,000	5,510
- Tax Audit fees	-	-
- For Other Services	-	-
- For Reimbursement of Expenses	-	25,000
Travelling & Conveyance Expenses	384,244	790,000
Repairs & Maintenance	-	110
STT Charges	1,653,237	151,100
Miscellaneous Expenses	698,752	26,845
<b>TOTAL</b>	<b><u>5,262,035</u></b>	<b><u>1,845,995</u></b>

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

(Amount in INR)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Note 22 - Earnings Per Equity Share</b>		
(a) Net profit after tax attributable to equity shareholders for Basic EPS	5,852,711	56,742
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	5,852,711	56,742
(b) Weighted average no. of equity shares outstanding during the year		
For Basic EPS	10,182,161	1,093,305
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS	0.57	0.05

**Note 23 - 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 24 - Previous year figures**

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

25. Contingent liability not provided for is ₹ Nil (Previous Year amounting ₹ Nil)
26. Profit / loss from F&O and Non Delivery transactions are accounted for on net of brokerage paid.
27. 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	7,23,18,615	15,038, 219

28. Auditors' Remuneration	2011-2012	2010-2011
For Audit Fees	₹ 25,000	₹ 5,510
	<u>₹ 25,000</u>	<u>₹ 5,510</u>

**29. Foreign Currency Transactions:**

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

30. Earnings per Share:	2011-2012	2010-2011
Basic & Diluted	₹ 0.57	₹ 0.05

31. Balances of the Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation and resultant reconciliation, if any.
32. There are no dues to Micro and Small Enterprises as at 31<sup>st</sup> 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 during the year.**

**A. Name of the related parties & description of relationship**

- a) Key Managerial Personnel and their enterprises : Shri Anil Kumar Nevatia (Director)  
Smt. Annu Agrawal (Director)  
Shri Anil Agrawal (Director)

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

		Anil Agrawal –HUF (HUF of Mr. Anil Agrawal, Director) Shri Sushil Kasturchand Jain (Director)
b) Relative of Key Managerial Personnel	:	N.A.
c) Associates	:	Comfort Securities Limited Comfort Intech Limited Comfort Capital Private Limited Comfort Commotrade Private Limited Luharuka Commotrade Pvt. Ltd. Luharuka Sales & Services Pvt. Ltd.

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

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associates
<b>A</b>	<b>Proceeds from Issuance of Share</b>	2,18,70,000	-	-
		-	-	(6,60,33,000)
	- Anil Agrawal HUF	2,18,70,000	-	-
		-	-	-
	- Luharuka Commotrade Pvt Ltd	-	-	-
		-	-	(6,60,33,000)
<b>B</b>	<b>Brokerage Paid</b>	-	-	93,741
		-	-	(5,467)
	- Comfort Securities Limited	-	-	93,741
		-	-	(5,467)
<b>C</b>	<b>Loan taken and repaid</b>	-	-	-
		-	-	(1,15,000)
	- Luharuka Sales & Services Pvt Ltd	-	-	-
		-	-	(1,15,000)
<b>D</b>	<b>Reimbursements</b>	-	-	5,09,017
		-	-	-
	- Comfort Capital Pvt Ltd	-	-	3,44,350
		-	-	-
	- Comfort Intech Ltd	-	-	1,64,667
		-	-	-
<b>E</b>	<b>Account Opening Charges</b>	-	-	125
		-	-	-
	- Comfort Commotrade Pvt Ltd	-	-	125
		-	-	-
	- Comfort Securities Limited	-	-	-
		-	-	(882)
<b>F</b>	<b>Demat Charges Paid</b>	-	-	3,616
		-	-	-
	- Comfort Securities Ltd	-	-	3,616
		-	-	-

Figure in bracket relates to previous year.

## 34. Segment Reporting

In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the accounting standard AS-17, issued by the Institute of Chartered Accountants Of India.

35. During the current financial year i.e. FY 2011-12, Company has issued 28,15,000 Equity Shares of face value of ₹ 10/- at an issue price of ₹ 18/- per Equity Share by way of Preferential Issue making total subscribed, issued and paid up equity share capital to ₹ 10,85,13,000/- divided into 1,08,51,300 equity shares of ₹ 10/- each.
36. The Previous years figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.





(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	—	—	—	—
c. Other related parties.....	—	—	—	—
2. Other than related parties.....	449.02	428.14	262.74	261.21
<b>TOTAL</b>	<b>449.02</b>	<b>428.14</b>	<b>262.74</b>	<b>261.21</b>

(8) Other information

i) Gross Non-Performing Assets

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

ii) Net Non-Performing Assets

- |                                 |   |   |
|---------------------------------|---|---|
| (a) Related parties.....        | — | — |
| Other than related parties..... | — | — |

- |   |   |   |
|---|---|---|
| iii) Assets acquired in satisfaction of debt..... | — | — |
|---|---|---|

For and on behalf of the Board

Sd/-  
ANIL AGRAWAL  
Director

Sd/-  
BHARAT SHIROYA  
Managing Director



## COMFORT FINCAP LIMITED

Registered Office: Premises No. 22, Block B, Northern Portion of Unit No. BG,  
Camac Street, Kolkata – 700017

### PROXY FORM

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

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

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

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

hereby appoint \_\_\_\_\_ residing at

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

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

Annual General Meeting of the Company to be held on Saturday, 15th September, 2012 at 4.30 P.M at Premises No. 22, Block B, Northern Portion of Unit No. BG, Camac Street, Kolkata - 700 017 and 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 FINCAP LIMITED

Registered Office: Premises No. 22, Block B, Northern Portion of Unit No. BG,  
Camac Street, Kolkata – 700017

### ATTENDANCE SLIP

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Saturday, 15th September, 2012 at 4.30 P.M at Premises No. 22, Block B, Northern Portion of Unit No. BG, Camac Street, Kolkata - 700 017 and 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)





# Book Post

If undelivered, please return to:

**COMFORT FINCAP LIMITED**

Regd. Office : Premises No. 22, Block B,  
Northern Portion of Unit No. BG,  
Camac Street, Kolkata - 700 017