



**Ref No: CFL/SEC/2024-25/23**

**Date: August 03, 2024**

To,  
The Manager,  
Department of Corporate Services,  
**BSE Limited,**  
Phirozee Jeejeeboy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
**Scrip Code: 535267**

Dear Sir/Madam,

**Subject: Notice of 42<sup>nd</sup> Annual General Meeting (“AGM”) and Annual Report for the financial year 2023-24 of Comfort Fincap Limited (“the Company”).**

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the financial year 2023-24 along with the Notice convening 42<sup>nd</sup> AGM of the Company. The Annual Report along with Notice is being sent electronically to those shareholders whose email IDs are registered with the Company / Registrar and Share Transfer Agent and the Depositories. The aforesaid Annual Report along with the Notice is available on the website of the Company at <http://www.comfortfincap.com/Investorrelation> and on the website of National Securities Depository Limited at <https://www.evoting.nsdl.com/>.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,  
**For Comfort Fincap Limited**

**Ankur Agrawal**  
**Director**  
**DIN: 06408167**

**Encl: As above**

## COMFORT FINCAP LIMITED

Registered Office :- 22, Block B, Camac Street, Behind  
Pantaloons, Kolkata, West Bengal - 700016

Corporate Office :- A-301, Hetal Arch, S.V. Road,  
Opp. Natraj Market, Malad (West), Mumbai - 400064

CIN : L65923WB1982PLC035441

☎ 022- 6894-8500/08/09

✉ info@comfortfincap.com

🌐 www.comfortfincap.com



**COMFORT  
FINCAP**

**2023-24**

---

**42<sup>nd</sup> Annual  
REPORT**



**COMFORT FINCAP LIMITED**





**BOARD OF DIRECTOR AND KEY MANAGERIAL PERSONNEL**

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

**CIN: L65923WB1982PLC035441**
**STATUTORY AUDITOR**

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

**REGISTERED OFFICE**

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

**INTERNAL AUDITOR**

M/s. ASHP &amp; Co. LLP, Chartered Accountants

**CORPORATE OFFICE**

301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch,  
S. V. Road, Malad (West), Mumbai, Maharashtra-400064, India;  
Tel: 022-6894 8508/09;  
Fax: 022-2889 2527;  
Email: [info@comfortfincap.com](mailto:info@comfortfincap.com);  
Website: [www.comfortfincap.com](http://www.comfortfincap.com).

**SECRETARIAL AUDITOR**

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

**REGISTRARS AND SHARE TRANSFER AGENT**

M/s. Bigshare Services Private Limited  
Office No S6-2, 6<sup>th</sup> floor Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai- 400093, India.  
Tel: 022-6263 8200;  
Fax: 022-6263 8299;  
Website: [www.bigshareonline.com](http://www.bigshareonline.com);  
Email ID: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

**BANKERS**

IDBI Bank Limited  
Union Bank of India

CONTENTS	PAGE NOS.
Chairperson's Message	2
Notice	6
Directors' Report & Annexures	31
Corporate Governance Report	47
Management Discussion & Analysis	66
<b>Standalone Financial Statements</b>	
Independent Auditor's Report	76
Balance Sheet	83
Statement of Profit and Loss	84
Cash Flow Statement	85
Statement of Changes in Equity	86
Notes on Financial Statements	87
<b>Consolidated Financial Statements</b>	
Independent Auditor's Report	116
Balance Sheet	122
Statement of Profit and Loss	123
Cash Flow Statement	124
Statement of Changes in Equity	125
Notes on Financial Statements	126

**42<sup>nd</sup> Annual General Meeting**

Day & Date	Sunday, August 25, 2024
Time	11:30 A.M. IST
Venue	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

# CHAIRPERSON'S MESSAGE

Dear Stakeholders,

“ I am delighted to share with you the 42nd Annual Report of Comfort Fincap Limited (“the Company”) for FY 2023-24. This year has been a testament to our strong, all-encompassing performance as we pursued responsible and profitable growth. The Indian economy has shown remarkable resilience, with vigorous economic activity, increased private sector consumption, and a heightened focus on infrastructure development from the government.

Over the past year, Non-Banking Financial Companies (NBFCs) have been at the forefront of the shift from unorganized to organized lending. By harnessing the power of digitalization, NBFCs have enhanced their loan origination and risk management practices. Key factors such as well-maintained balance sheets, improved credit quality, and robust underwriting processes have been essential to this progress. This positive trend is expected to continue, driven by ongoing demand for Loan against securities, Loan against properties, MSME loans and unsecured loans.

I am immensely proud of what our talented team has accomplished this year. Their unwavering dedication and commitment have allowed us to meet our targets. This success highlights our collective expertise and shared responsibility.

Looking ahead, we are excited about several strategic initiatives that will drive our future growth. We are actively exploring opportunities to raise funds to support our expansion plans and enhance our financial flexibility. Additionally, we are investing in technical upgradation to further improve our operational efficiency and customer experience. Our focus on better hiring practices will ensure that we continue to attract top talent to drive our business forward. We are also proud of the growth in our loan books, which underscores our strong market position and the confidence our clients place in us.

We are making notable strides in integrating Environmental, Social, and Governance (ESG) principles throughout our operations, thereby generating value for all our stakeholders. Consistent with our corporate vision, we are dedicated to maintaining high governance standards and continuously enhancing our practices. Our CSR initiatives concentrate on empowering and developing communities, particularly in rural areas, exemplified by our partnership with the Seth Govindram Charitable Trust, which provides essential food and shelter support.

In closing, I would like to extend my heartfelt thanks to all our stakeholders for their steadfast support and confidence in the Company. We are optimistic about reaching even greater milestones in the future and eagerly anticipate a successful path ahead. ”

Yours sincerely,  
**Ankur Agrawal**  
Chairperson and Director  
Comfort Fincap Limited

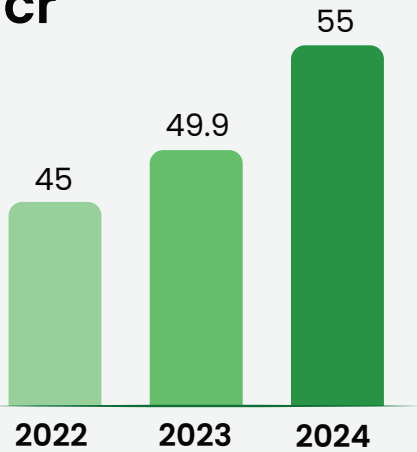


“ *I am profoundly grateful for our stakeholders' unwavering support and collective efforts, which have been pivotal to our success.* ”

# PERFORMANCE HIGHLIGHTS

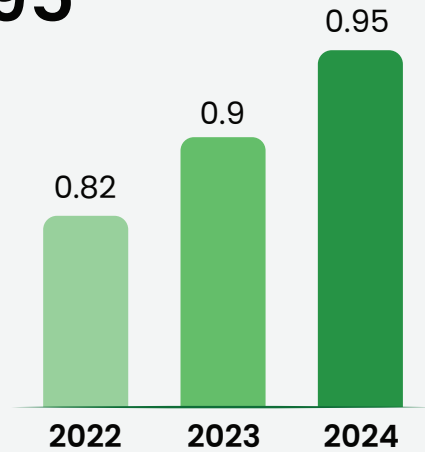
## Networth

**55cr**



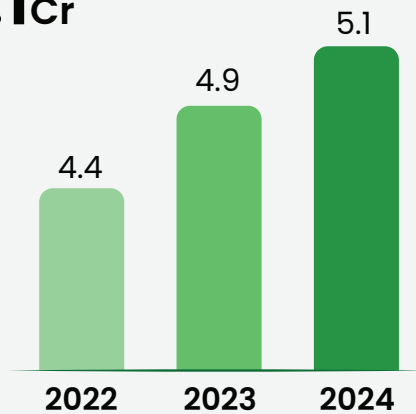
## Earnings Per Share

**0.95**



## Profit After Tax

**5.1cr**



This graph is for illustrative purposes only. The data presented is accurate and derived from the standalone financial statements. For a comprehensive understanding, please look at the detailed company's financial statement of this annual report.

# MANAGEMENT

## Mr. Ankur Agrawal

Non-Executive Non-Independent Director, Chairperson

Mr. Ankur Agrawal, a second-generation entrepreneur, is a visionary leader with exceptional qualifications and foresight. As the promoter of Comfort Group, he brings a proven track record of success and is poised to revolutionize the finance and e-commerce industry. Ankur Agrawal envisions creating a financial services conglomerate that sets new industry standards.



## Mr. Bharat Shiroya

Chief Executive Officer

Mr. Bharat Shiroya, the Director of our Company. He is graduate from Mumbai University. He has vast experience of more than 25 years in securities and financial services and is responsible for overseeing Company's trading activities and investment portfolio.

## Mr. Devendra Lal Thakur

Non-Executive Independent Director

Mr. Devendra Lal Thakur is a qualified Chartered Accountant by profession. He contributes on the financial aspect and brings value addition to the Company. He was appointed as director and was closely involved in management of financial affairs of many listed and unlisted companies. He is associated as an Independent Directors on Board of various companies of Comfort Group since November, 2015 and been an instrumental in building growth of Comfort Group.



## Mrs. Apeksha Kadam

Executive Woman Director

Mrs. Apeksha Kadam has been associated with the Company for about a 17 Years. She was then appointed as a director on Board of various companies of Comfort Group from February, 2021. As a Director of the Company, she contributes towards the Management and Business Administration and accordingly, brings in value addition to the Company. Her continuous association has driven success and development of the Company.



# MANAGEMENT

## Mr. Milin Ramani

Non-Executive Independent Director

Mr. Milin Ramani is a qualified Company Secretary by profession. He contributes on the compliance and Corporate Governance aspect and brings in value addition to the Company. Further, he is an Independent and Non-Executive Director on the Board of various Companies including the listed entities in India. He always has endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics and accountability for the benefit of the shareholders and other stakeholders at large



## Mrs. Nirmala Kanjar

Chief Financial Officer

Mrs. Nirmala Kanjar is a Member of the Institute of Chartered Accountants of India (ICAI) with over 12 years of extensive experience in the field of accounting and Taxation. Mrs. Nirmala Kanjar with her extensive expertise in accounting and taxation management, plays a key role in shaping the company's financial strategy and ensuring its fiscal health. Known for her strategic vision and leadership, Mrs. Kanjar has been instrumental in driving the company's growth and success. Her commitment to excellence and continuous learning makes her a valuable asset to the organization.

## Ms. Sneha Mandelia

Company Secretary & Compliance Officer

Ms. Sneha Mandelia is an Associate member of the Institute of Company Secretaries of India (ICSI Membership Number A49137) holding the prescribed qualification as prescribed under the Companies (Appointment and Qualification of Secretary) Rules, 1988 and a Law Graduate. She has more than 5 years of experience in managing Secretarial functions & Compliance matters ensuring that the Company complies and operates in accordance with statutory provisions.





## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 42<sup>ND</sup> ANNUAL GENERAL MEETING (“AGM / THE MEETING”) OF THE MEMBERS OF COMFORT FINCAP LIMITED (“THE COMPANY”) WILL BE HELD ON SUNDAY, AUGUST 25, 2024 AT 11:30 A.M. THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”), TO TRANSACT THE FOLLOWING BUSINESSES:**

### ORDINARY BUSINESS:

**1. Adoption of Audited Financial Statements:**

- a. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon; and
  - b. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the Report of the Auditors thereon.
2. To declare a final dividend of Rs. 0.10/- (Rupees Ten Paise Only) (i.e. 5%) per equity share of face value of Rs. 02/- (Rupees Two Only) each for the financial year ended March 31, 2024.
  3. To appoint a director in place of Mrs. Apeksha Kadam (DIN: 08878724), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

**4. To approve the Material Related Party Transactions.**

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

**“RESOLVED THAT** in supersession to earlier resolution(s) passed and pursuant to the provisions of sections 185, 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed at their respective meetings, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to approve all the material related party transactions (including any modifications, alterations or amendments thereto) to be entered into by the Company during the financial year 2024-25 and onwards in the ordinary course of business and on arm’s length basis with related Party/ies and / or with a person in whom any of the director of the Company is interested within the meaning of the Act and SEBI Listing Regulations, as per below framework:

Name of the Related Party	Comfort Intech Limited	Comfort Commotrade Limited	Flora Fountain Properties Limited	Comfort Securities Limited	Deepika Agrawal
<b>Name of the Director or Key Managerial Personnel who is/ may be related</b>	Mr. Ankur Agrawal and Mrs. Apeksha Kadam		Mr. Ankur Agrawal	Mrs. Apeksha Kadam	Mr. Ankur Agrawal
<b>Nature of Relationship</b>	Common Directors		Common Director		Related to Mr. Ankur Agrawal, Director of the Company.
<b>Nature and particulars of the contract / arrangement</b>	Related Party Transaction(s) in the nature of providing of Inter- Corporate loan(s) and / or Inter- corporate deposits / business advance for business purpose only, and/or availing and / or providing guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by entities, being entities under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section 2(b) of Section 185 of Companies Act, 2013.				
<b>Material terms of the contract / arrangement</b>	On Arms’ length basis.				
<b>Monetary value of the contract / arrangement for financial year 2024-25 and onwards</b>	Rs. 50 Crore	Rs. 75 Crore	Rs. 60 Crore	Rs. 75 Crore	Rs. 50 Crore
<b>The indicative base price or current contracted price and the formula for variation in the price, if any</b>	Prices are basis on arm’s length having reference of market price.				
<b>Any other information relevant or important for the members to take a decision on the proposed resolution</b>	None				

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

**5. To re-appoint Mr. Milin Ramani (DIN: 07697636), as Non-Executive-Independent Director on the Board for second term of 5 consecutive years with effect from June 29, 2024 till June 28, 2029:**

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

“**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of the Act, Regulation 17, 25 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and such other provisions, regulations, circulars, directions and guidelines as may be applicable (including any amendment, statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, respectively, Mr. Milin Ramani (DIN: 07697636) who was appointed as an Independent Director of the Company for a period of five (5) years commencing from June 29, 2019 to June 28, 2024, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing him as a candidature for the office of Non- Executive Independent Director, be and is hereby re-appointed as Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from June 29, 2024 till June 28, 2029 (both days inclusive).

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

**6. Increase in Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 61(1)(a), 64 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”), the Articles of Association of the Company and on recommendation of the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall include any Committee constituted/to be constituted by the Board thereof or any other person(s) as may be authorized by the Board in that behalf) and subject to such other applicable approval(s) and/ or sanction(s) of the statutory or regulatory authorities, the consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 7,50,00,000 (Seven Crore Fifty Lakh Only) equity shares of Face Value of Rs. 02/- (Rupees Two Only) each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh Only) equity shares of Face Value of Rs. 02/- (Rupees Two Only) each, ranking pari-passu in all respect with the existing equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Act read with Rules framed thereunder, consent of the Members of the Company be and is hereby accorded to replace existing Clause V of the Memorandum of Association of the Company with the following New Clause V:

*V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh Only) Equity Shares of Rs. 02/- (Rupees Two only) each with the power to increase or decrease such share capital to divide the Shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, subject to the provisions of the Companies Act, 2013 or any statutory modification thereof or provided by the Articles of Association of the Company.*

**RESOLVED FURTHER THAT** any of the Directors and/ or Company Secretary of the Company be and is hereby authorized to do all such acts, deed and things, as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above, including but not limited to filing of necessary e-form, submission of documents, delegating powers to any person(s), as they may in their absolute discretion deem necessary or expedient in respect of matters and things incidental or related thereto and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard, to give effect to this resolution.”

**7. To approve issue of 4,38,00,000 share warrants, convertible into equity shares on preferential basis to the persons belonging to the promoter and non-promoter category:**

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

**“RESOLVED THAT** pursuant to the provisions of sections 23, 42, 62(1)(c), and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“Takeover Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, Ministry of Corporate Affairs (“MCA”) or any other competent authority, as may be necessary, including the Securities and Exchange Board of India (“SEBI”), Bombay Stock Exchange Limited (“BSE”) where the Equity Shares of the Company are listed and subject to the necessary approval(s), consent(s), permissions(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) and/or sanction(s) and which may be agreed to by the Board of Director of the Company (“the Board”) (which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Members be and is hereby accorded to create, issue, offer and allot, from time to time in one or more tranches, up to 4,38,00,000 (Four Crore and Thirty Eight Lakhs Only) Share Warrants (“Warrants”) each Warrant convertible into 1 (one) Equity Share of the **Face Value of Rs. 2/- (Rupee Two Only)** each on a preferential basis, for cash, at an **Issue Price of Rs.9/- (Rupees Nine Only) including premium of Rs. 7/- (Rupees Seven Only)** each per Warrant which is more than the price as determined by the board in accordance with the pricing guidelines prescribed under Chapter V of the SEBI ICDR Regulations (“Warrant Issue Price”) aggregating to an amount not exceeding Rs. 39,42,00,000/- (Rupees Thirty-Nine Crore and Forty-Two Lakhs Only) to the following promoter and non-promoter individual/entities (hereinafter referred to as the (“Proposed Allottees of Share Warrant”), entitling the warrant holders to exercise option to convert and get allotted 1 (One) Equity Share of Face Value of Rs. 2/- (Rupee Two Only) each of the Company (“Equity Shares”) for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of the Warrants, and in such form and manner and in accordance with the provisions of ICDR Regulations and Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members:

Sr. No.	Names of the Investors/ proposed Allottees	Category (Promoter and Non-Promoter)	No. of Shares Warrants (up to)	Outcome of the subscription/ Investment amount (INR) (Approx.)
1	Luharuka Investment & Consultants Private Limited	Promoter	23,900,000	215,100,000
2	Ashish Bansal	Non- Promoter	4,000,000	36,000,000
3	Luharuka Sales & Services Private Limited	Promoter	1,100,000	9,900,000
4	Vridhhi Ramakant Parasrampuria	Non- Promoter	1,100,000	9,900,000
5	Geetaben Pravinbhai Padsala	Non- Promoter	1,100,000	9,900,000
6	Kirtikumar Navnitrai Mehta	Non- Promoter	900,000	8,100,000
7	Brijesh Haresh Mehta	Non- Promoter	900,000	8,100,000
8	Kalpesh Nitinkumar Mehta	Non- Promoter	900,000	8,100,000
9	Jyoti Kirtikumar Mehta	Non- Promoter	900,000	8,100,000
10	Darshan Mukesh Doshi	Non- Promoter	900,000	8,100,000
11	Devendra Lal Thakur	Non- Promoter	900,000	8,100,000
12	Raj Kumar Goel HUF	Non- Promoter	800,000	7,200,000
13	Vraj Praful Padsala	Non- Promoter	800,000	7,200,000
14	Kiah Sudhir Monpara	Non- Promoter	700,000	6,300,000
15	Raj Kumar Goel	Non- Promoter	550,000	4,950,000
16	Swati Goel	Non- Promoter	550,000	4,950,000
17	Manjula N Bajariya	Non- Promoter	500,000	4,500,000
18	Maulik Maheshkumar Bhatu	Non- Promoter	500,000	4,500,000
19	Priyesh Maheshkumar Bhatu	Non- Promoter	500,000	4,500,000
20	Noble Express Services Private Limited	Non- Promoter	500,000	4,500,000

Sr. No.	Names of the Investors/ proposed Allottees	Category (Promoter and Non-Promoter)	No. of Shares Warrants (up to)	Outcome of the subscription/ Investment amount (INR) (Approx.)
21	Amita Sachin Karia	Non- Promoter	200,000	1,800,000
22	Sharad Phoolchand Kedia	Non- Promoter	200,000	1,800,000
23	Shubham Rupesh Vaghasia	Non- Promoter	200,000	1,800,000
24	Indira Naresh Riyawala	Non- Promoter	200,000	1,800,000
25	Riken Vira	Non- Promoter	200,000	1,800,000
26	Neeta Bhavesh Waghela	Non- Promoter	100,000	900,000
27	Mihen Jyotindra Halani	Non- Promoter	100,000	900,000
28	Vibhor Kala	Non- Promoter	100,000	900,000
29	Jignesh Hansraj Gala	Non- Promoter	100,000	900,000
30	Meera S Kabra	Non- Promoter	100,000	900,000
31	Madhusudan Zanwar	Non- Promoter	100,000	900,000
32	Deepak Surendra Jariwala	Non- Promoter	100,000	900,000
33	Mrs. Kavita Mistri & Mr. Unmesh Mistri	Non- Promoter	100,000	900,000
<b>Total</b>			<b>43,800,000</b>	<b>394,200,000</b>

**RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of ICDR Regulations including Regulation 161, the “Relevant Date” for determining the Floor Price of Warrants shall be Friday, July 26, 2024, being the date 30 days prior to the date of the Extra-Ordinary General Meeting of the shareholders of the Company scheduled to be held on Sunday, August 25, 2024.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of the Warrants shall be subject to the following terms and conditions apart from the other terms and conditions as prescribed under applicable laws:

- a. The Warrant holders shall, subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to exercise the Warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly issue and allot the corresponding number of Equity Shares of face value of Rs. 2/- (Rupee Two Only) each to the Warrant holders;
- b. An amount equal to 25% (Twenty-Five Percent) of the Warrant Issue Price shall be payable at the time of subscription and allotment of each Warrant and the balance 75% (Seventy-Five Percent) of the Warrant Issue Price shall be payable by the Warrant Holder(s) on or before the exercise of the entitlement attached to the Warrant(s) to subscribe for the Equity Shares;
- c. The respective Warrant holder shall make payment of Warrant price from their own bank account into to the designated bank account of the Company.
- d. The Warrants shall be exercised in a manner that shall be in compliance with the minimum public shareholding norms prescribed for the Company under the Listing Regulations and the Securities Contract (Regulation) Rules, 1957;
- e. The Warrants themselves until converted into Equity Shares, does not give to the Warrant Holder any rights (including any dividend or voting rights) in the Company in respect of such Warrants.
- f. The Equity Shares to be so allotted upon the exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respect including dividend, with the existing Equity Shares of the Company;
- g. The Warrants and the Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under Chapter V of the ICDR Regulations from time to time;
- h. The Company shall re-compute the price of the Warrants/ Equity Shares issued upon exercise of the Warrants in terms of the ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holders to the Company in accordance with the provisions of the ICDR Regulations;
- i. The allotment of Warrants pursuant to this resolution shall be completed within a period of 15 (fifteen) days from the passing of this resolution, provided that, where the allotment pursuant to this resolution is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approval(s);

- j. The allotment of the Equity Shares pursuant to exercise of Warrants shall be completed within a period of 15 (Fifteen) days from the date of such exercise by the allottee; and warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- k. In the event that, a Warrant holder does not exercise the Warrants within a period of 18 (Eighteen) months from the date of allotment of such Warrants, the unexercised Warrants shall lapse and the amount paid by the Warrant holders on such Warrants shall stand forfeited by Company.
- l. The Company shall procure the listing and trading approvals for the resulting Equity Shares to be issued and allotted to the Warrant Holders upon exercise of the Warrants are received from the relevant Stock Exchanges in accordance with the ICDR Regulations and the Listing Regulations;

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the proposed allottees and issue a private placement offer cum application letter in the Form PAS-4 to the proposed allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

**RESOLVED FURTHER THAT** any of the Director of the board or Company Secretary of the Company be and are hereby severally authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted up to exercise of the Warrants held by the Warrant Holders;

**RESOLVED FURTHER THAT** any of the Director of the board or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with Stock Exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental / regulatory authorities to give effect to the aforesaid resolution;

**RESOLVED FURTHER THAT** any of the Director of the board or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolutions, including without limitation to issue and allot Equity Shares upon exercise of the Warrants, to issue certificates/ clarifications on the issue and allotment of Warrants and thereafter allotment of Equity Shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolutions above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants and listing and trading of Equity Shares issued on exercise of Warrants), including making applications to Stock Exchanges for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, seeking approvals from lenders (where applicable), to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Proposed Allottees, and to delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, including without limitation in connection with the issue and utilization of proceeds thereof, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the Members and take all steps and decisions in this regard;

**RESOLVED FURTHER THAT** a copy of the aforesaid resolution certified to be true by anyone of the Directors of the Company or the Company Secretary of the Company be furnished to the appropriate authorities with a request to act thereon."

**8. To approve revision in remuneration payable to Mr. Ankur Agrawal (DIN: 06408167), Chairperson and Executive Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant sub-regulation (6) (e) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approvals as may be required, consent of the members be and is hereby accorded to confirm and pay the remuneration amounting to Rs. 80,00,000/- (Rupees Eighty lakh only) per annum w.e.f. April 01, 2024 to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson of the Company, which is in excess of the limits prescribed under Section 197 of the Act.

The remuneration payable to Mr. Ankur Agrawal w.e.f. April 01, 2024 is as detailed below:

- a. Remuneration:** Rs. 80,00,000/- (Rupees eighty lakh only) per annum w.e.f. April 01, 2024 + maximum of 10% to 15% increment every year;
- b. Others:**
  1. Conveyance: Actual;
  2. Medical expenses (including Medical Insurance): Actual incurred in India or abroad (including family members) these facilities will not be considered as perquisites;
  3. Mr. Ankur Agrawal will be entitled to leaves as per the rules of the Company as applicable to other employees of his category;
  4. Whenever Mr. Ankur Agrawal is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner (including for spouse): a) Executive, First Class Air Fare / Charter / First Class AC Rail Fare b) Actual expenses to cover stay in hotels and cost of local conveyance;
  5. Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid;
  6. Bonus as per the rules of the Company.

**RESOLVED FURTHER THAT** the consent of the shareholders of the Company be and is hereby accorded that where in any financial year during his tenure as a Chairperson and Executive Director, in the event of absence of profit or inadequate profit, Mr. Ankur Agrawal shall be entitled to aforesaid remuneration subject to provisions of the limits specified in Part II of the Schedule V or if Part II of the Schedule V of the Act are not met then the Company hereby approves remuneration as decided above.

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

**By order of the Board of Directors  
for Comfort Fincap Limited**

Sd/-  
**Ankur Agrawal**  
**Chairperson & Director**  
**Din: 06408167**

**Date:** August 02, 2024

**Place:** Mumbai



## NOTES:

1. The Ministry of Corporate Affairs (“MCA”) vide its circular nos. 14/2020 and 17/2020 dated April 08, 2020, and April 13, 2020, respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder and circular nos. 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)” (collectively referred to as ‘MCA Circulars’) permitted the Companies whose AGMs are due in the year 2023, to conduct their AGMs on or before September 30, 2023 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for year 2023 and considering the above MCA Circulars, Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (‘SEBI Circular’) provided relaxation upto September 30, 2023, from Regulation 36(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 (‘Act’) to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, the 42<sup>nd</sup> AGM of the Company is being convened and conducted through VC / OAVM, without the physical presence of the Members at a common venue.
2. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business to be transacted at the ensuing AGM under item nos. 4, 5, 6,7 and 8 are considered to be unavoidable by the Board is annexed hereto. The term Member(s) or Shareholder(s) are used interchangeably in this notice.
3. Further, a brief resume of the Director proposed to be re-appointed at this AGM, nature of his appointment, expertise in specific functional areas, names of Companies in which he hold the Directorship and Membership/ Chairpersonship of Board and Committees, Shareholding and relationship between directors inter-se, as stipulated under Regulation 36(3) of the SEBI Listing Regulation and other requisite information as per Secretarial Standard-2 on General Meetings, forms part of this Notice. Further, requisite declarations for re-appointment is received from such Director.
4. In case of joint holders attending the meeting through VC / OAVM, only such joint holder whose name appears as the first holder in the order of names will be entitled to vote.
5. The Company has appointed, Mrs. Ramadevi Venigalla, Practicing Company Secretary (Membership no. FCS 7345 and CP no. 17889) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote thereat. Institutional / Corporate Members (i.e. other than Individuals/HUF/NRI, etc.) are required to send the scanned copy of the Board Resolution (PDF /JPG Format) authorizing their representatives to attend the meeting through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address to [ramavenigalla@gmail.com](mailto:ramavenigalla@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. **Book Closure:** The Register of Members and Share Transfer Books of the Company shall remain closed from August 19, 2024 till August 25, 2024 (both days inclusive) for the purpose of the AGM.
8. **Dividend:** If the dividend, as recommended by the Board, is approved at the AGM, payment of such dividend subject to deduction of tax at source (“TDS”) will be made within 30 days of AGM as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (‘NSDL’) and the Central Depository Services (India) Limited (‘CDSL’), collectively ‘Depositories’, as of the close of business hours on Saturday, August 17, 2024 (“being a record date for the purpose dividend”);  
To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Saturday, August 17, 2024;
  - b) Shareholders holding shares in electronic mode are requested to register their Bank details with the relevant Depository Participant. This will enable the Company to make timely credit of dividend to the Shareholders in their respective bank accounts. For Shareholders who have not updated their bank account details, Dividend Warrants / Demand Drafts will be sent to their registered addresses;
  - c) Manner of registering KYC including bank details for receiving dividend:
    - **Shareholders holding shares in physical mode** who have not provided the information regarding bank particulars, are requested to register/update their Bank details (e.g. name of the bank and the branch, bank account number, 9 digits MICR number, 11 digit IFS Code and the nature of account) online with Bigshare Services Private Limited on its website at [www.bigshareonline.com](http://www.bigshareonline.com).



com along with the copy of the signed request letter mentioning the name and address of the Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of the PAN Card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Shareholder along with a copy of latest cancelled cheque with the Shareholder's name.

- **Shareholders holding shares in electronic mode are requested to register their Bank details with the** relevant Depository Participant. This will enable the Company to make timely credit of dividend to the Shareholders in their respective bank accounts.

d) TDS on dividend in accordance with the provisions of the Income Tax Act, 1961 ("IT Act"), as amended by and read with the provisions of the Finance Act, 2020, dividend declared and paid by the Company with effect from April 01, 2020, is taxable in the hands of Shareholders and the Company is required to deduct tax at source from dividend paid to the Shareholders at the applicable rates. The Company shall consider the requests received by it from its shareholders as on the Record date fixed by the Company in relation to its proposed dividend(s);

- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [tds@bigshareonline.com](mailto:tds@bigshareonline.com). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20% and 10% in case of Members having valid Permanent Account Number ("PAN") or as notified by the Government of India. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2023 does not exceed Rs. 5,000/- and also in cases where members provide Form 15G (Applicable to any person other than a Company or a Firm) / Form 15H (Applicable to an individual above the age of 60 years) subject to conditions specified in the IT Act.
- For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable to them. However, Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an e-mail to [tds@bigshareonline.com](mailto:tds@bigshareonline.com).

**9. Transfer of Unclaimed Dividend Amount and Shares to the Investor Education and Protection fund ("IEPF") Authority:**

Pursuant to the Section 124 and other applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), the Company will be transferring the unclaimed and unpaid dividend of the financial year 2016-17 from its Unpaid Dividend Account to Investor Education and Protection Fund (hereinafter referred to as "IEPF") after October 14, 2024. Further, all the shares in respect of which dividend remaining unpaid shall also be transferred IEPF Authority. The Company has published a newspaper advertisement and has sent individual correspondence to the shareholders whose dividend are lying unpaid and unclaimed for 7 years from the date of transfer to Unpaid Dividend Account of the Company and whose shares are due for transfer to IEPF Authority and the same is made available on website of Company at <http://www.comfortfincap.com/Investorrelation>.

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

Members who have not yet en-cashed their Final Dividends from financial year 2016-17 and thereafter are requested to make their claims to the Company/ Registrar and Share Transfer Agent ("RTA"), i.e. Bigshare Services Private Limited. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

In case the members have any queries on the subject matter and Rules, they may contact the Company's RTA. The members / claimants whose shares and/ or, unclaimed dividend have been transferred to IEPF may claim same by making an application to IEPF Authority in eForm-5 IEPF (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The member / claimant can file only one consolidated claim in respect of multiple financial years as per the IEPF Rules

10. Members holding shares in physical mode are requested to intimate changes, if any, pertaining to their postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), specimen signature, bank details such as name of the bank and branch details, bank account number, etc to the Company's RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021. The said forms can be downloaded from the Company's website: <http://www.comfortfincap.com/Investorrelation>. The Company has sent letters to members holding shares in physical mode for furnishing the required details.
11. **Nomination Facility:** As per the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 as amended and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

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

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

12. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details and nomination. Further, all members holding shares in physical mode are required to compulsorily link their PAN Card and Aadhaar Card to avoid freezing of folios. The folios wherein any one of the said document/ details are not updated and/or PAN Card and Aadhaar Card are not linked on or after October 01, 2023 shall be frozen by the RTA. The security holder(s) whose folio(s) frozen shall be eligible:
  - i. To lodge any grievance or avail of any service request from RTA, only after furnishing the complete documents/ details as mentioned above;
  - ii. To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode w.e.f. April 01, 2024) only after compliance with the above stated requirements.

Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if the securities continue to remain frozen as on December 31, 2025.

13. Pursuant to SEBI Notification No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25 January, 2022, the Company shall issue securities in dematerialise form only while processing service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR- 4, format of which is available on the Company's website at <http://www.comfortfincap.com/Investorrelation>. Further, members holding shares in physical form are requested to take action to dematerialise the Equity Shares, promptly to avoid inconvenience in future.
14. In compliance with the aforesaid MCA and SEBI circulars, Notice of the AGM along with Annual Report 2023-24, is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Furthermore, the hard copy of the Annual Report including Notice of AGM for Financial Year 2023-24 has not been sent to any member, unless any member has requested for the same. Members may note that the Notice and the Annual Report for the financial year 2023-24 will also be available on the website of the Company at <http://www.comfortfincap.com/Investorrelation>, websites of the stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (agency for providing the Remote e-Voting facility).
15. Members are requested to join the Company in supporting the Green Initiative taken by MCA to effect electronic delivery of documents to the members at the E-mail addresses registered for the said purpose. Members are hereby requested to register their E-mail addresses with their Depository Participant or with Bigshare Services Private Limited, RTA of the Company, for sending various Notices, Dividend intimation and other documents through E-mail, in case they have not registered the same. Those members who have changed their E-mail ID/ Addresses are requested to update their new E-mail ID / Addresses with RTA, in case the shares are held in physical form and with the Depository Participants where shares are held in demat mode, in case they have not already updated the same.
16. Pursuant to the SEBI Listing Regulations, the Company is required to maintain Bank details of its members for the purpose of payment of Dividends, etc. Members are requested to register / update their Bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialised mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available for inspection during the AGM. All the relevant documents referred to in the accompanying Notice are made available for inspection by members at the Corporate Office of the Company, situated at A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai-400064 on all working days (From Monday to Friday) during the business hours up to the date of AGM.
18. The Members, desiring any information pertaining to the accounts or business to be transacted at the AGM, are requested to write to the Company at the Corporate Office of the Company, situated at A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai-400064, Maharashtra or send an email to [info@comfortfincap.com](mailto:info@comfortfincap.com), mentioning their name, DP ID, Client ID number/folio number and mobile number on or before 5:00 P.M. IST, Saturday, August 17, 2024, to enable us to keep the requisite information ready.
19. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the MCA on February 08, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he / she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10% or more. The beneficial interest could be in the form of a Company's

shares or the right to exercise or actually exercising significant influence or control over the Company. If any members holding shares in the Company on behalf of other or fulfilling the criteria specified under Section 90 of Act read with relevant rules, SBO is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.

20. Since the AGM will be held through VC, the Route Map and attendance slip and proxy form is not annexed to this Notice.

**21. PROCESS AND MANNER OF E-VOTING:**

- Pursuant to the MCA circulars, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the MCA circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, Proxy Form is not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Pursuant to the provisions of Section 108 of Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of SEBI Listing Regulations and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.comfortfincap.com/investorrelation>, The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circulars.
- Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the period **commencing from Thursday, August 22, 2024 at 9:00 A.M. (IST) to Saturday, August 24, 2024 at 5:00 P.M. (IST) or e-voting during the AGM**. If a Member casts vote(s) by both modes, the voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as "INVALID". Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**22. THE GENERAL INSTRUCTIONS TO THE MEMBERS FOR REMOTE E-VOTING AND FOR JOINING ANNUAL GENERAL MEETING ARE AS UNDER: -**

The **remote e-voting period** begins on **Thursday, August 22, 2024 at 9:00 A.M. (IST) to Saturday, August 24, 2024 at 5:00 P.M.** the remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date)** i.e. **Saturday, August 17, 2024**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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

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





**Step 1: Access to NSDL e-Voting system**

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

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022- 4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33

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

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

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

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

- Your User ID details are given below :

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

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ramavenigalla@gmail.com](mailto:ramavenigalla@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on.: 022- 4886 7000, 022- 022-24997000 and 022-24994200 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@comfortfincap.com](mailto:info@comfortfincap.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DP ID + CL ID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@comfortfincap.com](mailto:info@comfortfincap.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

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

**GENERAL INSTRUCTIONS/ INFORMATION TO MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions / queries at [info@comfortfincap.com](mailto:info@comfortfincap.com), mentioning their name, DP ID, Client ID number/folio number and mobile number on or before 5:00 P.M. IST, Saturday, August 17, 2024, to enable us to keep the requisite information ready.

**24. SCRUTINIZER'S REPORT AND DECLARATION OF RESULTS:**

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and shall make and submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing, who shall countersign the same. The Resolutions shall be deemed to be passed on the date of the AGM i.e. **August 25, 2024** subject to receipt of the requisite number of votes in favour of the Resolutions. The Results shall be declared within two working days of the conclusion of the AGM.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website at: <http://www.comfortfincap.com/Investorrelation> and on the website of NSDL at: <https://www.evoting.nsdl.com> immediately and shall also simultaneously forward the results to the stock exchange(s) where the shares of the Company are listed.



**Additional information of the Directors recommended for Appointed/ Re-appointment pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings :**

<b>Item No</b>	<b>3</b>	<b>5</b>
<b>Particulars</b>	<b>Mrs. Apeksha Kadam</b>	<b>Mr. Milin Jagdish Ramani</b>
<b>DIN</b>	08878724	07697636
<b>Date of Birth</b>	February 28, 1982	February 08, 1993
<b>Age (in years)</b>	42 years	31 years
<b>Date of First Appointment</b>	February 11, 2021	June 29, 2019
<b>Nature of Appointment</b>	Re-appointment (pursuant to retirement by rotation)	Re-appointment (pursuant to expiry of first term)
<b>Nationality</b>	Indian	Indian
<b>Brief Profile</b>	Mrs. Apeksha Kadam has been associated with the Company for about a decade and a half. She was then appointed as a director on Board of various companies of Comfort Group from February, 2021. As a Director of the Company, she contributes towards the Management and Business Administration and accordingly, brings in value addition to the Company. Her continuous association has driven success and development of the Company.	Mr. Milin Ramani is a qualified Company Secretary by profession. He contributes on the compliance and Corporate Governance aspect and brings in value addition to the Company. Further, he is an Independent and Non-Executive Director on the Board of various Companies including the listed entities in India. He always has endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics and accountability for the benefit of the shareholders and other stakeholders at large.
<b>Qualification</b>	Mrs. Apeksha Kadam has completed Master of Business Administration from National Institute of Management (NIM).	Mr. Milin Ramani is an Associate Member of the Institute of Company Secretaries of India (ICSI).
<b>Expertise in specific Functional Area</b>	She has sound experience in the field of Management & Strategy, Human Resource Management and Business Administration	He has sound experience in the field of secretarial, compliance and other regulatory compliances.
<b>Skill and capabilities for role of Independent Director and manner in which proposed director meet the same</b>	-	Kindly refer Item No. 5 of the Explanatory Statement of this Notice.
<b>Directorships held in other public companies (excluding private, foreign companies and Section 8 companies)</b>	<ol style="list-style-type: none"> <li>1. Luharuka Media &amp; Infra Limited</li> <li>2. Comfort Commotrade Limited</li> <li>3. Comfort Securities Limited</li> <li>4. Comfort Intech Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Luharuka Media &amp; Infra Limited</li> <li>2. Comfort Commotrade Limited</li> <li>3. Comfort Intech Limited</li> <li>4. Tree House Education &amp; Accessories Limited</li> <li>5. Hubtown Limited</li> <li>6. Relcon infraprojects ltd.</li> <li>7. Binani industries limited</li> <li>8. Comfort Securities Limited</li> </ol>
<b>Directorship in Listed Entity from which he/she resigned in past three years</b>	Nil	Nil
<b>Shareholding in the Company including shareholding as a beneficial owner</b>	Nil	1000 Shares

Item No	3	5
<b>Memberships/ Chairpersonships of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)</b>	<b>Luharuka Media &amp; Infra Limited</b> <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee- Chairperson</li> </ul>	<b>Comfort Commotrade Limited</b> <ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Stakeholders' Relationship Committee- Member</li> </ul> <b>Luharuka Media &amp; Infra Limited</b> <ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Stakeholders' Relationship Committee- Member</li> </ul> <b>Comfort Intech Limited</b> <ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Stakeholders' Relationship Committee- Chairperson</li> </ul> <b>Hubtown Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> </ul> <b>Comfort Securities Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> </ul>
<b>No. of Board Meeting attended during the financial year</b>	Attended all Board Meetings during the financial year 2023-24.	Attended all Board Meetings during the financial year 2023-24.
<b>Disclosure of relationship between Directors/ KMP inter-se</b>	None	None
<b>Key terms and conditions of the appointment</b>	-	As per the Resolution at Item no. 5 of this Notice read with the explanatory statement thereto.
<b>Remuneration last drawn</b>	Only sitting fees for the Meeting attended was paid.	Only sitting fees for the Meeting attended was paid.
<b>Remuneration sought to be paid</b>	Remuneration shall be paid pursuant to the provisions of section 197 read with schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including and statutory modification or re-enactment thereof) and as may be decided the Board from time to time.	

**By order of the Board of Directors  
for Comfort Fincap Limited**

Sd/-  
**Ankur Agrawal**  
Chairperson & Director  
Din: 06408167

**Date:** August 02, 2024  
**Place:** Mumbai

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

### ITEM NO. 4

Your Company generally enters into transaction with related parties as prescribed in the table of resolution mentioned in item no. 3 in ordinary course of business and at arm's length basis, which falls in the definition of "Related Parties Transactions" under the Act and/or SEBI Listing Regulations.

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

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

Accordingly, your Company may have to enter into material related party transactions in future requiring shareholders' approval, the framework of which has been recommended by the Audit Committee and approved by the Board of Directors of the Company in the text of the resolution proposed in the Notice.

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

Furthermore, pursuant to the provisions of Section 185 of the Act, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that a special resolution is passed by the company in general meeting.

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

Sr. No.	Particulars	Information
1.	Justification for why the proposed transaction is in the interest of the listed entity	Considering the business activity, the Company has to provide loans / advances to parties including its related parties for enriching business operations more profitably.
2.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Nature of Concern or Interest is Financial Relationship as mentioned in resolution at Item No. 3 and under other entities in which promoters/directors or their relatives are interested.
3.	Tenure of Proposed transactions	Approval is sought for material RPTs proposed to be undertaken during the Financial 2024-25 and onwards.
4.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: details of the source of funds in connection with the proposed transaction where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness cost of funds and tenure, applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	The Loans / advances given/to be given by the Company are from Company's own funds. Further, the loans / advances are given/to be given for the business purpose of recipient on the terms and conditions as considered by the Board and Audit Committee in the best interest of the Company.
5.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security	Tenure: repayable on demand Repayment Schedule: Not Applicable Nature of Security: Unsecured
6.	A copy of the valuation or other external party report, if any such report has been relied upon	Not applicable
7.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of proposed transaction	400% to 600%

The Board is of the opinion that these transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company. Further, all related party transactions of the Company are at arms-length and in the ordinary course of business as required under relevant regulations. The Company has implemented a policy on Related Party Transactions, and it undertakes related party transactions in accordance with such policy.

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

The Board recommends the **special resolution** as set out at item No. 3 for approval by unrelated shareholders of the Company in terms of Section 188 (3) of the Act and Regulation 23 of the Listing Regulations.

#### ITEM NO. 5

Mr. Milin Ramani (DIN: 07697636) was appointed as an Independent Director of the Company for a period of five (5) consecutive years. Further, pursuant to the provisions of 149, 150, 152 and other applicable provisions of the Act read with applicable rules made there under, SEBI Listing Regulations and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Milin Ramani as 'Additional Director' in the category of 'Non-Executive Independent Director' at their meeting held on May 28, 2024, for the second term of five (5) consecutive years commencing from June 29, 2024 till June 28, 2029, subject to the approval of members of the Company at the ensuing General Meeting.

Nomination and Remuneration Committee, inter alia, have identified his experience of more than a decade in the field of secretarial and other requisite regulatory compliances with various statutory bodies and his contribution towards the compliance and Corporate Governance aspect will bring in value addition to the Company.

Considering the profile, experience and performance evaluation report of Mr. Milin Ramani, the Nomination and Remuneration Committee and the Board is of the view that he meets all the above required skills and capabilities and that his continued association would be beneficial to the Company.

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

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

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

#### ITEM NO. 6

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares as and when required, the Board of Directors of the Company passed resolution as on August 02, 2024 have approved and recommended to shareholders of the Company for their approval, an increase in the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 7,50,00,000 (Seven Crore Fifty Lakh Only) equity shares of Face Value of Rs. 02/- (Rupee Two Only) each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh Only) equity shares of Face Value of Rs. 02/- (Rupee Two Only) each, ranking pari-passu in all respect with the existing equity shares of the Company.

In terms of the provisions of Sections 13 and 61(1)(a) of the Act, approval of the shareholders of the Company is sought by way of an ordinary resolutions for increase in authorised share capital and consequential alteration to Capital Clause (Clause V) of the Memorandum of Association of the Company.

A draft copy of the modified Memorandum of Association is available for inspection by the Shareholders of the Company.

None of the Promoters, Directors and/or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise), in the proposed resolutions mentioned at Item Nos. 6, except to the extent of their shareholding in the Company.

The Board recommends the **Ordinary resolution** as set out at item No.6 for approval by shareholders of the Company in terms of Section of 13, 61(1)(a) and other applicable provisions, if any of the Act.

#### ITEM NO. 7

The Board of Directors of the Company in its meeting held on August 2, 2024, subject to the approval of members, has approved the proposal for raising funds and allot by way of preferential issue of Share Warrants up to 4,38,00,000 Warrants convertible into equivalent number of Equity Shares of a face value of Rs. 2/- (Rupee Two Only) each of the Company ("Warrants"), at an Issue Price of Rs. 9/- (Rupees Nine Only) including premium of Rs. 7/- (Rupees Seven Only) each per Warrant which is more than the price as determined by the board in accordance with the pricing guidelines prescribed under Chapter V of the SEBI ICDR Regulations ("Warrant Issue Price") aggregating to an amount not

exceeding Rs. 39,42,00,000/- (Rupees Thirty-Nine Crore and Forty-Two Lakhs Only) to the proposed allottees being Promoter(s) and persons other than Promoter(s).

Requisite information or details in respect of the proposed Preferential Issue of Warrants in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI (ICDR) Regulations”) are as under:

**1. The objects of the preferential issue:**

The proceeds arising out of the preferential issue shall be utilized for the purposes and in accordance with the bifurcation as specified below:

**Utilization of Issue Proceeds:**

Sr. no.	Particulars	Total estimated amount to be utilized. (Amount in Crores INR) *	Tentative timeline for utilization of issue proceeds for each of the object
1	Onward lending and financing business of the Company in the ordinary course of business and capital expenditure	28.00	Within 24 months from receipt of funds for the Warrants (as set out herein)
2	Repayment/refinance of existing debts of the Company.	6.00	
3	General Corporate purpose	5.42	
	<b>Total</b>	39.42	

\* Contingent upon full subscription of offer and considering 100% conversion of Warrants into Equity Shares within the stipulated time.

The Main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Preferential Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

Our fund requirements and deployment of the proceeds of the Preferential Issue are based on the internal management estimates and it may change subject to range gap which shall not exceed +/- 10% of the amount specified for that object of size of the Preferential Issue in accordance with BSE Notice No. 20221213-47 and NSE Circular No. NSE/CML/2022/56 both dated December 13, 2022.

The Company shall be entitled to invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted under applicable laws.

**2. Particulars of the offer including the maximum number of specified securities to be issued.**

Preferential issue of 4,38,00,000/- (Four Crore and Thirty-Eight Lakhs) Fully Convertible Warrants of face value of Rs. 2/- each at an issue price not exceeding Rs. 9/- (Rupees Nine Only) including premium of Rs. 7/- (Rupees Seven Only) each per Warrant (‘Warrant Issue Price’) aggregating to an amount not exceeding Rs. 39,42,00,000/- (Rupees Thirty Nine Crore and Forty Two Lakhs Only) in terms of Chapter V of SEBI (ICDR) Regulations, 2018 and applicable provisions of Companies Act, 2013.

**3. Relevant Date with reference to which the price has been arrived at:**

In terms of the provisions of Chapter V of ICDR Regulations, the relevant date for determining the Minimum Issue Price of Warrants shall be Friday, July 26, 2024, being the date 30 days prior to the date of the Annual General Meeting of the Company scheduled to be held, i.e., Sunday, August 25, 2024.

**4. Basis on which the price has been arrived at and justification for the price (including premium, if any):**

The Equity Shares of Company are listed on Bombay Stock Exchange Limited (“BSE”). The equity shares are frequently traded in terms of the SEBI ICDR Regulations with higher trading volumes for the preceding 90 (ninety) trading days prior to the Relevant Date, has been considered for determining the floor price in accordance with Chapter V of the SEBI ICDR Regulations. Further, the Articles of Association of the Company does not contain any article which provides for determination of price in case of preferential issue.

In terms of the applicable provisions of the SEBI ICDR Regulations, the price at which the securities may be issued computes to Rs. 8.96/- (Rupees Eight Ninety-Six Paise Only) per warrant, being higher of the following:

- the 90 (Ninety) trading days Volume Weighted Average Price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date i.e. **Rs. 8.96/-;**
- the 10 (Ten) trading days Volume Weighted Average Price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date i.e. **Rs. 8.87/-;**

Further a certificate has been obtained from M/s. Mitesh J. Shah, Practicing Company Secretary certifying compliance with the Floor Price for the proposed preferential issue of the Company, based on the pricing formula prescribed under Regulation 164 of the Chapter V of SEBI ICDR Regulation.

Further, this preferential issue will not result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the company, to an allottee or to allottees acting in concert, hence there is no requirement of valuation report from registered valuer.

**5. Amount which the Company intends to raise by way of such securities.**

The company intends to raise an amount not exceeding Rs. 39,42,00,000/- (Rupees Thirty-Nine Crore and Forty-Two Lakhs Only).

**6. Intent of the Promoters, Directors, Key Management Personnel or Senior Management of the Company to subscribe to the Preferential Offer:**

The following Promoter, Director and Key Managerial Personnel intends to participate and subscribe to the preferential offer:

Sr. No.	Names of the Investors/ Proposed Allottees	Category (Promoter/ Non-Promoter)	No. of Securities (Up to)	Outcome of the subscription/ Investment amount (INR) (Approx.)
1	Luharuka Investment & Consultants Private Limited	Promoter	2,39,00,000	21,51,00,000
2	Luharuka Sales & Services Private Limited	Promoter	11,00,000	99,00,000
3	Devendra Lal Thakur	Director	9,00,000	81,00,000

Except for the above, none of the Directors, Key Managerial Personnel or Promoters intend to subscribe to the preferential issue of warrants.

**7. Time frame within which the Preferential Issue shall be completed:**

As required under the SEBI (ICDR) Regulations, the Warrants shall be allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this Resolution provided that where the allotment of the proposed Warrants is pending on account of receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals or permissions.

The warrants may be exercised by the proposed allottees, in one or more tranches, at any time on or before the expiry of 18 (Eighteen) months from the date of allotment of the warrants by issuing a written notice to the Company specifying the number of warrants proposed to be exercised along with the aggregate amount payable thereon.

The Company shall accordingly, without any further approval from the shareholders of the Company, allot the corresponding number of equity shares in dematerialized form.

**8. Name of the proposed allottee, class and percentage of post Preferential Issue capital that may be held by them:**

The details have been provided in **Annexure A forming part of this Notice.**

**9. The Shareholding pattern of the Company before and after the Preferential Issue:**

The shareholding pattern of the Company before and after considering the preferential issues under this Notice is provided in **Annexure B forming part of this Notice.**

**10. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee:**

Sr. No.	Name of the Allottee of share warrants	Name of beneficial owners of proposed allottee of share warrants	PAN of the beneficial owners of proposed allottee of share warrants
1.	Luharuka Investment & Consultants Private Limited	NA	NA
2.	Luharuka Sales & Services Private Limited	Aayushi Agrawal	AMVPR5389N
3.	Raj Kumar Goel HUF	Raj Kumar Goel	AATPG4117B
4.	Noble Express Services Private Limited	Pradeep Chaudhary HUF	AAHHP1246A

**11. Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of Warrants and including the conversion thereof into Equity Shares of the Company.

**12. Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, the Company has not allotted any securities on a preferential basis.

**13. Undertaking as to Re-computation of the share price:**

Since the Equity Shares of the Company are listed on recognized stock exchanges for more than 90 (Ninety) trading days, the price computation and lock-in extensions, required pursuant to Regulations 164(3) and 167(5) of the SEBI (ICDR) Regulations and the disclosures and undertakings required pursuant to Regulation 163(1)(g) and (h) of the SEBI (ICDR) Regulations are not applicable. If the Company is required to re-compute the price then it shall undertake such re-computation and if the amount payable on account of the re-computation of price is not paid by the Proposed Allottees within the time stipulated in the SEBI (ICDR) Regulations, the Warrants proposed to be issued pursuant to this resolution would have been continued to be locked in till the time such amount would have been paid by the Proposed Allottees.

**14. Disclosures specified in Schedule VI of SEBI (ICDR) Regulations, 2018, if the issuer or any of the promoters or directors is a wilful defaulter or a fraudulent borrower:**

Neither the Company nor its promoters nor the Directors of the Company have been identified as willful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India nor have they been identified as fugitive economic offenders as per the Fugitive Economic Offenders Act, 2018.

**15. The current and proposed status of the allottee of share warrant post the preferential issue namely, promoter or non-promoter investors:**

Sr. No.	Name of the Proposed Allottee of share warrants	Current Status of the Proposed Allottee of share warrants	Proposed Status of the Proposed Allottee of share warrants post the preferential issue
1.	Luharuka Investment & Consultants Private Limited	Promoter	Promoter
2.	Ashish Bansal	Non- Promoter	Non- Promoter
3.	Luharuka Sales & Services Private Limited	Promoter	Promoter
4.	Vridhhi Ramakant Parasrampur	Non- Promoter	Non- Promoter
5.	Geetaben Pravinbhai Padsala	Non- Promoter	Non- Promoter
6.	Kirtikumar Navnitrai Mehta	Non- Promoter	Non- Promoter
7.	Brijesh Haresh Mehta	Non- Promoter	Non- Promoter
8.	Kalpesh Nitinkumar Mehta	Non- Promoter	Non- Promoter
9.	Jyoti Kirtikumar Mehta	Non- Promoter	Non- Promoter
10.	Darshan Mukesh Doshi	Non- Promoter	Non- Promoter
11.	Devendra Lal Thakur	Non- Promoter	Non- Promoter
12.	Raj Kumar Goel HUF	Non- Promoter	Non- Promoter
13.	Vraj Praful Padsala	Non- Promoter	Non- Promoter
14.	Kiah Sudhir Monpara	Non- Promoter	Non- Promoter
15.	Raj Kumar Goel	Non- Promoter	Non- Promoter
16.	Swati Goel	Non- Promoter	Non- Promoter
17.	Manjula N Bajariya	Non- Promoter	Non- Promoter
18.	Maulik Maheshkumar Bhatu	Non- Promoter	Non- Promoter
19.	Priyesh Maheshkumar Bhatu	Non- Promoter	Non- Promoter
20.	Noble Express Services Private Limited	Non- Promoter	Non- Promoter
21.	Amrita Sachin Karia	Non- Promoter	Non- Promoter
22.	Sharad Phoolchand Kedia	Non- Promoter	Non- Promoter



Sr. No.	Name of the Proposed Allottee of share warrants	Current Status of the Proposed Allottee of share warrants	Proposed Status of the Proposed Allottee of share warrants post the preferential issue
23.	Shubham Rupesh Vaghasia	Non- Promoter	Non- Promoter
24.	Indira Naresh Riyawala	Non- Promoter	Non- Promoter
25.	Riken Vira	Non- Promoter	Non- Promoter
26.	Neeta Bhavesh Waghela	Non- Promoter	Non- Promoter
27.	Mihen Jyotindra Halani	Non- Promoter	Non- Promoter
28.	Vibhor Kala	Non- Promoter	Non- Promoter
29.	Jignesh Hansraj Gala	Non- Promoter	Non- Promoter
30.	Meera S Kabra	Non- Promoter	Non- Promoter
31.	Madhusudan Zanwar	Non- Promoter	Non- Promoter
32.	Deepak Surendra Jariwala	Non-Promoter	Non-Promoter
33.	Mrs. Kavita Mistri & Mr. Unmesh Mistri	Non-Promoter	Non-Promoter

**16. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not applicable

**17. Lock-in-period:**

The Warrants and Equity Shares allotted upon conversion of Warrants shall be locked-in for such period as may be specified under the SEBI (ICDR) Regulations.

The entire pre-preferential allotment shareholding of all the allottees shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of the allotment of Warrants as specified under Regulation 167(6) of the SEBI (ICDR) Regulations.

**18. Practicing Company Secretary's Certificate:**

The certificate from M/s. Mitesh Shah & Associates, Practicing Company Secretary, having his office at C-104, Hetal Arch, S. V. Road, Malad West, Mumbai - 400064, MH, In, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be available for inspection to the Members at the Meeting and is made available on the website of the Company at [www.comfortfincap.com](http://www.comfortfincap.com)

**19. Undertaking:**

In terms of the ICDR Regulations, the Company hereby undertakes that:

- It would re-compute the price of the securities specified above in terms of the Provisions of the SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the above specified securities shall continue to be locked in till the time such amount is paid by allottee.
- The Company shall at all times comply with the minimum public shareholding requirements prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended and Regulation 38 of the SEBI Listing Regulations.

**20. Other disclosures:**

- The Company is eligible to make the Preferential Issue under Chapter V of the SEBI (ICDR) Regulations;
- Neither the Company nor its directors or Promoters have been declared as willful defaulter or a fraudulent borrower as defined under the SEBI (ICDR) Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI (ICDR) Regulations;
- The proposed allottee of share warrants has not sold or transferred any Equity Shares during the 90 (Ninety) trading days preceding the relevant date.
- No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company but failed to exercise them.
- The Company is in compliance with the conditions of continuous listing of equity shares as specified in the listing agreement with the Stock Exchange(s) where the equity shares of the Company are listed.

- f. The issue of Equity Shares after the shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.
- g. The Equity Shares being issued after the conversion of share warrants shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.
- h. The raising of capital pursuant to the proposed resolution is subject to force majeure circumstances and conditions conducive capital market environment.

Accordingly, the approval of the Members of the Company is hereby sought by way of Special Resolution for authorizing the Board of Directors of the Company to create, offer, issue and allot convertible warrants as specifically described in the resolutions set out at Item No.: 07 of this Notice.

The Board of Directors believes that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the Item No.: 07 in the accompanying notice for approval by the Members.

Except Promoters, to the extent of their respective shareholding, none of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Annexure A (P: Promoter and NP: Non-Promoter)**

Sr. No	Name of the Proposed Allottee of Share Warrants	Class (Promoter/ Non-Promoter)	Pre-Issue Shareholding		Issue of Warrants (Present Issue) (No.)	Post Issue Shareholding after Conversion of Warrants	
			No. of Shares	% of Share holding		No. of Shares	% of Share holding
1	Luharuka Investment & Consultants Private Limited	P	-	-	23,900,000	23,900,000	24.37
2	Luharuka Sales & Services Private Limited	P	3852865	7.10	1,100,000	4952865	5.05
3	Ashish Bansal	NP			4,000,000	4,000,000	4.08
4	Vriddhi Ramakant Parasrampur	NP	-	-	1,100,000	1,100,000	1.12
5	Geetaben Pravinbhai Padsala	NP	-	-	1,100,000	1,100,000	1.12
6	Kirtikumar Navnitrai Mehta	NP	-	-	900,000	900,000	0.92
7	Brijesh Hareesh Mehta	NP	25	0.00	900,000	900,025	0.92
8	Kalpesh Nitinkumar Mehta	NP	25	0.00	900,000	900,025	0.92
9	Jyoti Kirtikumar Mehta	NP	25	0.00	900,000	900,025	0.92
10	Darshan Mukesh Doshi	NP	-	-	900,000	900,000	0.92
11	Devendra Lal Thakur	NP	-	-	900,000	900,000	0.92
12	Raj Kumar Goel HUF	NP	-	-	800,000	800,000	0.82
13	Vraj Praful Padsala	NP	-	-	800,000	800,000	0.82
14	Kiah Sudhir Monpara	NP	-	-	700,000	700,000	0.71
15	Raj Kumar Goel	NP	-	-	550,000	550,000	0.56
16	Swati Goel	NP	-	-	550,000	550,000	0.56
17	Manjula N Bajariya	NP	80000	0.15	500,000	580,000	0.59
18	Maulik Maheshkumar Bhatu	NP	-	-	500,000	500,000	0.51
19	Priyesh Maheshkumar Bhatu	NP	-	-	500,000	500,000	0.51
20	Noble Express Services Private Limited	NP	-	-	500,000	500,000	0.51
21	Amita Sachin Karia	NP	-	-	200,000	200,000	0.20
22	Sharad Phoolchand Kedia	NP	-	-	200,000	200,000	0.20
23	Shubham Rupesh Vaghasia	NP	-	-	200,000	200,000	0.20
24	Indira Naresh Riyawala	NP	-	-	200,000	200,000	0.20
25	Riken Vira	NP	-	-	200,000	200,000	0.20
26	Neeta Bhavesh Waghela	NP	5301	0.01	100,000	105,301	0.11
27	Mihen Jyotindra Halani	NP	-	-	100,000	100,000	0.10

Sr. No	Name of the Proposed Allottee of Share Warrants	Class (Promoter/ Non-Promoter)	Pre-Issue Shareholding		Issue of Warrants (Present Issue) (No.)	Post Issue Shareholding after Conversion of Warrants	
			No. of Shares	% of Share holding		No. of Shares	% of Share holding
28	Vibhor Kala	NP	-	-	100,000	100,000	0.10
29	Jignesh Hansraj Gala	NP	-	-	100,000	100,000	0.10
30	Meera S Kabra	NP	-	-	100,000	100,000	0.10
31	Madhusudan Zanwar	NP	-	-	100,000	100,000	0.10
32	Deepak Surendra Jariwala	NP	-	-	100,000	100,000	0.10
33	Mrs. Kavita Mistri & Mr. Unmesh Mistri	NP	-	-	100,000	100,000	0.10

**Annexure B: (Shareholding pattern of the Company before and after the Preferential Issue)**

Sr. No.	Category	Pre-Issue Shareholding (as on July 26, 2024)		Shareholding Post Preferential Issue and Conversion of warrants and preferential issue of equity shares	
		No. of Shares held	% to total share capital	No. of Shares held *	% to total share capital * (assuming full conversion of Warrants)
<b>A</b>	<b>Promoter Group</b>				
	Promoter and Promoter Group Holding				
1	Indian				
	Individual/HUF	58,20,000	10.73	58,20,000	5.94
	Body Corporate	2,49,68,870	46.02	4,99,68,870	50.96
2.	Foreign Promoters	0	0	0	0
	<b>SUB-TOTAL - A</b>	<b>3,07,88,870</b>	<b>56.75</b>	<b>5,57,88,870</b>	<b>56.89</b>
<b>B.</b>	<b>NON-PROMOTER HOLDING</b>				
1	Institutional Investors	0	0	0	0
	Mutual Funds/ FPI/ AIF	0	0	0	0
	Financial Institutions / Banks	0	0	0	0
	Insurance Companies	0	0	0	0
	Central Government	0	0	0	0
2	Non-Institutional Investors				
	Individuals	2,05,15,070	37.81	3,88,15,070	39.58
	Body Corporate	2,742,756	5.06	32,42,756	3.31
	NRI	2,06,263	0.38	2,06,263	0.21
	Others	3,541	0.01	3,541	0.00
	<b>SUB-TOTAL - B</b>	<b>2,34,67,630</b>	<b>43.25</b>	<b>4,22,67,630</b>	<b>43.11</b>
	<b>GRAND TOTAL (A+B1+B2)</b>	<b>5,42,56,500</b>	<b>100</b>	<b>9,80,56,500</b>	<b>100</b>

\*The shareholding pattern figures are derived under the assumption that all proposed warrants will be subscribed in accordance with the shareholders' resolution No. 1 and that all warrants will subsequently be exercised or converted into equity shares. However, if any equity shares or warrants remain unsubscribed or unexercised, the figures will be adjusted accordingly.

**ITEM NO. 8**

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

The Company is growing and performing well under the leadership of Mr. Ankur Agrawal and based on the recommendation of the Nomination and Remuneration Committee, the Board has considered and approved the payment of remuneration to Mr. Ankur Agrawal w.e.f. April 01, 2024 as set out in the resolution.

As per Section 197 and other applicable provisions of the Act, the remuneration payable to directors who are neither managing Directors nor whole-time Directors shall not exceed 3% of the net profits of the Company. However, the Company in general meeting may authorise the payment of remuneration exceeding said limit, subject to the provisions of Schedule V of the Act.

Accordingly, the Board recommends the resolution set forth in item no. 8 in excess of the limit specified under Section 197 of the Act by way of special resolution.

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

**By order of the Board of Directors  
for Comfort Fincap Limited**

Sd/-

**Ankur Agrawal  
Chairperson & Director  
Din: 06408167**

**Date:** August 02, 2024

**Place:** Mumbai

## DIRECTORS' REPORT

### To the Members of the Company,

Your directors are delighted to present the **42<sup>nd</sup> (Forty Second)** Annual Report of **Comfort Fincap Limited** ("the Company") on the business and operations of your Company along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2024.

The consolidated performance of the Company and its associate has been referred to whenever required.

### 1) FINANCIAL HIGHLIGHTS

The summary of Audited (Standalone and Consolidated) Financial performance of the Company, for the financial year ended March 31, 2024 is summarized as under:

PARTICULARS	(Rs. in lakh, except EPS)			
	STANDALONE		CONSOLIDATED	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations	1,390.09	1,466.10	1,390.09	1,466.10
Operating Income	5.86	7.19	5.86	7.19
Total Revenue	1,395.95	1,473.28	1,395.95	1,473.28
Less: Total Expenditure	669.97	818.92	669.97	818.92
Profit before Tax	725.98	654.36	725.98	654.36
Less: Current Tax Expenses	153.15	168.75	153.15	168.75
Less: Deferred Tax	58.26	-0.82	58.26	-0.82
Less: Tax of earlier years	-0.05	0.81	-0.05	0.81
Add: Share of Profit/(Loss) of Associate	-	-	0.01	(0.00)
Profit for the year	514.62	485.62	514.63	485.62
Earnings Per Share (EPS) (Basic & Diluted)*	0.95	0.90	0.95	0.90

\*Note: Subsequent to quarter ended March 31, 2023, the equity shares of the Company were sub-divided such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up with effect from May 05, 2023 (Record Date). Therefore, the Earnings Per Share (EPS) for the financial year ended March 31, 2023 have been restated to give effect of the share split.

### 2) FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

Your Company is a Non-Banking Finance Company (NBFC) with a core emphasis focused on offering various financial services such as inter corporate loans, personal loans, loans against shares & securities, loans against properties, Mortgage Loans, Home Loans, trade financing, bills discounting and trading in shares and securities.

The consolidated and standalone financial statements of the Company for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of sections 129 and 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), which have been reviewed by the Statutory Auditor of the Company.

During the year under review, your Company's total revenue from operations on consolidated basis has been decreased to Rs. 1,390.09 lakh as compared to Rs. 1,466.10 lakh in the previous financial year. While, the net profit increased to Rs. 514.63 lakh as compared to Rs. 485.62 lakh in the previous financial year.

During the year under review, your Company's total revenue from operations on standalone basis has been decreased to Rs. 1,390.09 lakh as compared to Rs. 1,466.10 lakh in the previous financial year. While, the net profit increased to Rs. 514.62 lakh as compared to Rs. 485.62 lakh in the previous financial year.

In accordance with the provisions contained in Section 136 of the Act and Regulation 34 of SEBI Listing Regulations, the Annual Report of the Company, containing Notice of the Annual General Meeting ("AGM"), Standalone and Consolidated Financial Statements, Standalone and Consolidated Cash Flow Statement, Report of the Auditor's, Directors' Report, Corporate Governance Report "together with Notes and Annexures" thereto are available on the website of the Company at <http://www.comfortfincap.com/>. Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis Report ("MDAR"), which forms part of this Annual Report.

### 3) DIVIDEND

The Board of Directors has recommended a final dividend of Rs. 0.10/- per equity share of Rs. 02/- each, i.e. equivalent to 5% on the paid up equity share capital of the Company for the financial year ended March 31, 2024 at their Meeting held on August 02, 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting (“AGM”) of the Company.

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

Pursuant to Section 124(5) of the Companies Act, 2013 (“the Act”) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), that the Company is required to transfer the amounts of unpaid dividend remaining unpaid and unclaimed for a continuous period of seven years from the date of transfer of such amount to Unclaimed Dividend Account to the Investor Education and Protection Fund (“IEPF”) Authority. Further, pursuant to section 124(6) of the Act read with the Rules requires that all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to the IEPF Authority along with statement containing such details as may be prescribed.

The Company transferred the unclaimed and unpaid dividend of the financial year 2015-16 from its Unclaimed Dividend Account to Investor Education and Protection Fund (hereinafter referred to as “IEPF”) as on November 14, 2023. Further, all the shares in respect of which dividend remaining unpaid/unclaimed were transferred to IEPF Authority.

Those Members whose unclaimed and unpaid dividend from financial year 2015-16 or before & underlying shares are transferred to IEPF may claim the same from IEPF Authority.

No claim shall lie against the Company in respect of unpaid/ unclaimed dividend amount and the corresponding equity shares transferred to the IEPF and the same including all benefits accruing on such shares, if any, can be claimed from the IEPF Authority by making an application in Form No. IEPF-5 and after following the procedure prescribed in the Rules, details of which are available on the website of the IEPF Authority <http://www.iepf.gov.in>.

### 5) SHARE CAPITAL

During the year under review, there has been no change in share capital of the Company. The issued, subscribed and paid-Sup Equity Share Capital of the Company as on March 31, 2024 was Rs. 10,85,13,000/- (Rupees Ten Crore Eighty-Five Lakh Thirteen Thousand only) divided into 5,42,56,500 Equity Shares of Rs. 02/- each.

Further;

- The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of section 54(1) (d) of the Act read with rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished;
- The Company has not issued any shares with differential rights and hence no information as per provisions of section 43(a)(ii) of the Act, read with rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished;
- The Company has not granted employee stock options as per provisions of section 62(1)(b) of the Act, read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014;
- During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act, read with rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

### 6) TRANSFER TO RESERVES

The Board of Directors has decided reinvest the entirety of the profit back into the business. Accordingly, the Company has not transferred any amount to the general reserves during the financial year ended March 31, 2024. The closing balance of the retained earnings of the Company for financial year 2023-24, after all appropriation and adjustments was Rs. 4415.91 lakhs.

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

The Company’s equity shares are listed on The BSE Limited. Accordingly, the Annual listing fees for the financial year 2023-24 and 2024-25 has been paid to the stock exchange.

Pursuant to sub-division/split of equity shares, the Company has been allotted new ISIN: INE274M01026 on May 04, 2023.

Furthermore, the Company has diligently adhered to and executed all necessary procedures to give effect to the Voluntary Delisting of its Equity Shares from Calcutta Stock Exchange Limited. The CSE Limited Approved Comfort Fincap Limited’s application for aforesaid action and equity shares were accordingly delisted with effect from February 01, 2024.

## 8) SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has one Associate Company namely, Lemonade Shares & Securities Private Limited [CIN: U67100MH2010PTC205455] and has no other subsidiaries or joint venture within the meaning of Section 2(87) or 2(6) of the Act as on March 31, 2024. During the year, there has been no material change in the nature of the business of the Associate Company and no Company became or ceased to be subsidiary, associate company or joint venture.

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

## 9) DEPOSITS

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

## 10) MATERIAL CHANGES AFFECTING THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between end of the financial year and the date of this report. We also confirm that there have been no other changes in the nature of the Company's business.

## 11) CORPORATE GOVERNANCE

From its inception, maintaining robust Corporate Governance has been central to the Company's operations. The Company has implemented comprehensive systems to ensure compliance with all relevant provisions, ensuring these systems are both adequate and operational. Effective Corporate Governance plays a critical role in enabling the organization to function efficiently and ethically, thereby generating long-term wealth and delivering value to all stakeholders. Through the establishment of systems and procedures, the Company ensures that its Board of Directors remain well-informed and equipped to fulfill their responsibilities, thereby achieving performance objectives consistently. This strategic approach is crucial for fostering sustainable shareholder value in the long run.

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

Additionally, a certificate from the CEO and CFO of the Company, as per SEBI Listing Regulations, confirming, among other things, the accuracy of the financial statements and cash flow statements, adequacy of internal controls, and reporting to the Audit Committee, is also attached.

## 12) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### I. Board of Directors

The Board of Directors is an apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of the shareholders and other stakeholders.

The Board of Directors of the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel.

The Composition of the Board of Directors is in conformity with section 149 of the Act read with regulation 17 of the SEBI Listing Regulations.

Following were the Directors as on March 31, 2024:

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

### a. Changes in Directors:

#### i. Cessation/ Resignation:

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



**ii. Director liable to appointment/ re-appointment :**

- Re-appointment of Mr. Milin Ramani as a Non-Executive- Independent Director.

Mr. Milin Ramani (DIN: 07697636) will complete his first term of appointment as an Independent Director of the Company on June 28, 2024. Based on the recommendation of the Nomination and Remuneration committee, the Board at its meeting held on April 25, 2024 approved the reappointment of Mr. Milin Ramani as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from June 29, 2024 till June 28, 2029, subject to approval of the shareholders in ensuing AGM. Mr. Milin Ramani has confirmed that he meets the criteria of 'independence' under Section 149 of the Act and Regulation 16 of the SEBI Listing Regulations.

The proposal for re-appointment of Mr. Milin Ramani as an Independent Director of the Company for a second term of five consecutive years is included in the Notice convening the **42<sup>nd</sup> AGM** of the Company along with the Explanatory Statement as required under Section 102 of the Act. Mr. Milin Ramani complies with the requirements of Stock Exchange circulars BSE/LIST /COMP /14/2018-19, dated June 20, 2018. None of the Directors are disqualified for being accounted as Director of the Company in terms of section 164 of the Act.

**iii. Director liable to retire by rotation:**

Pursuant to provisions of Section 152(6) of the Act, Mrs. Apeksha Kadam (DIN: 08878724), Non-Executive – Non-Independent Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers herself for re-appointment. The Nomination and Remuneration Committee and Board have recommended re-appointment of Mrs. Apeksha Kadam. Brief profile of Mrs. Apeksha Kadam as required under Regulation 36 (3) of the SEBI Listing Regulations read with Secretarial Standard-2 on General Meetings is provided separately by way of an Annexure to the Notice of the ensuing **42<sup>nd</sup> AGM** which forms part of this Annual Report.

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

**II. Key Managerial Personnel (KMP)**

Following were the Key Managerial Personnel as on March 31, 2024 pursuant to Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

There were no changes in KMP during the year under review.

**III. Director's Evaluation**

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

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

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness, on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Further, pursuant to Regulation 17 (10) of the SEBI Listing Regulations, the performance evaluation of the Independent Directors was carried out by the entire Board, in their meeting held on January 20, 2024, excluding the independent director being evaluated.

In a separate meeting of Independent Directors held on January 20, 2024, the performance evaluation of the Board as whole, Chairperson of the Company and the Non-Independent Directors was evaluated and they assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The performance evaluation of the Chairperson of the Company was carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

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

#### IV. Declaration by Independent Directors:

The Company has received the necessary declarations from the Independent Directors under Section 149(7) of the Act read with Regulation 25(8) of the SEBI Listing Regulations that they meet the criteria of Independence laid down in section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, all the independent directors are registered with data bank maintained by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors have confirmed that they are not aware of any circumstances or situation, which exists or reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

Disclosure regarding the skills/expertise/competence possessed by the Directors is given in detail in the Report on Corporate Governance forming part of this Annual Report.

#### V. Familiarization program for Independent Directors:

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a system to familiarize its Independent Directors. All Board members of the Company are invited to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. Separate sessions are organized during the year with domain experts to enable Board members to update their knowledge of the sector.

Details of the familiarization program on cumulative basis are available on the Company's website at <http://www.comfortfincap.com/Investorrelation>. The familiarization program aims to provide the Independent Directors understanding with respect to their roles, responsibilities in the Company, nature of the industry, business model, processes, policies and the technology and the risk management systems of the Company, the operational and financial performance of the Company, significant development so as to enable them to take well informed decisions in timely manner. The Company conducted one program during the financial year 2023-24 and the time spent by Independent Directors was in the range of 2 hours. The cumulative programs / meetings conducted till date are 7 and the time spent by Independent Directors is in the range of 12 hours. The policy on Company's familiarization program for independent directors is hosted on the Company's website at <http://www.comfortfincap.com/Investorrelation>.

#### VI. Board and Committee Meetings

During the financial year 2023-24, Four (4) Board Meetings and Ten (10) Committee Meetings were held. The Board has established following three Committees in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

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

Further, the Company also has an Operations Committee to deal with the matters relating to frequent banking and day-to-day business affairs. The details of the Board and its Committees along with their composition, meetings held during the year are given under Corporate Governance Report forming part of this Annual Report.

### 13) AUDITORS

#### a. Statutory Auditor

Pursuant to the provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the Members of the Company at the 40<sup>th</sup> AGM held on September 21, 2022 had approved the re-appointment of M/s. A. R. Sodha & Co., Chartered Accountants (FRN 110324W) as the Statutory Auditors of the Company for a further period of 5 consecutive years to hold office from the conclusion of the 40<sup>th</sup> AGM till the conclusion of the 45<sup>th</sup> AGM to be held in the year 2027.

M/s. A. R. Sodha & Co., Chartered Accountants has audited the books of accounts of the Company for the financial year ended March 31, 2024 and have issued the Auditors' Report thereon. The report provided by of the Statutory Auditor along with the notes is enclosed with the Financial Statements.

The Auditor's Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Auditor of the Company have not reported any fraud as specified under Section 143(12) of the Act.

**b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Mitesh J. Shah & Associates, Practicing Company Secretaries (Membership No.: F10070; Certificate of Practice No.: 12891), as Secretarial Auditor of the Company for the financial year 2023-24 to conduct the Secretarial Audit and issue the Secretarial Audit Report in Form MR-3. The report of the Secretarial Auditor for the financial year 2023-24 is annexed as **Annexure II** to this Report. The report is self-explanatory and contains no qualification, reservation and adverse remarks for the financial year ended March 31, 2024.

**c. Internal Auditor**

M/s. ASHP & Co., Chartered Accountants, Mumbai performed the duties of internal auditors of the Company for the financial year 2023-24 and their report is reviewed by the Audit committee from time to time.

**d. Cost Auditor**

Provisions of section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost records and Audit) Rules, 2014 requiring maintenance and audit of cost records and appointment of cost auditor is not applicable to your company.

#### **14) NOMINATION AND REMUNERATION POLICY**

The Company has a Nomination and Remuneration Policy for Directors and Senior Managerial Personnel in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and as approved by the Nomination and Remuneration Committee and the Board.

The policy is available on website of the Company at web link: <https://www.comfortfincap.com/Investorrelation>. The detailed policy aspects are mentioned in Corporate Governance Report forming part of this Annual Report.

#### **15) RELATED PARTY TRANSACTIONS**

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

There were no material contracts or arrangements or transactions with related parties, therefore Form AOC-2 does not form part of this Report. Details of the Related Party Transactions are provided in the accompanying Financial Statements which form part of this Annual Report.

The Company has put in place a policy for related party transactions ("RPT policy") which has been reviewed and approved by the Audit Committee and Board of Directors respectively. The RPT policy provides for identification of related party and related party transactions, materiality of related party transactions, necessary approvals by the Audit Committee/Board of Directors/ Shareholders of related party transactions and subsequent material modification thereof, reporting and disclosure requirements in compliance with the Act and the SEBI Listing Regulations.

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

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

#### **16) WHISTLE BLOWER POLICY / VIGIL MECHANISM**

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

During the financial year 2023-24, no cases under this mechanism were reported to the Company.

The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for any redressal. Details of the Vigil Mechanism and Whistleblower policy are covered in the Corporate Governance Report, which forms part of this Annual Report and are made available on the Company's website at <http://www.comfortfincap.com/Investorrelation>.

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

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

Number of complaints received by the Committee during the Financial year 2023-24 : Nil

**18) ANNUAL RETURN**

Pursuant to Sections 92(3) and 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return of the Company for financial year 2023-24 is available on Company's website at [www.comfortfinicap.com/Investorrelation](http://www.comfortfinicap.com/Investorrelation).

**19) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- vi. They have devised proper system to ensure compliance with the provisions of all applicable laws and that such system is adequate and operating effectively.

**20) MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as stipulated under the Regulation 34(2)(e) of the SEBI Listing Regulations and the same is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's various businesses, internal controls and their adequacy, risk management systems, human resources and other material developments during the financial year 2023-24.

**21) REMUNERATION TO DIRECTORS, PARTICULARS OF EMPLOYEES AND HUMAN RESOURCES (HR)**

Your Company had 9 employees as on March 31, 2024. The statement containing particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees were in receipt of remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

**22) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

### 23) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The operations of your Company are not energy intensive and hence, disclosure pursuant to the provisions of section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures are adopted by the Company. The Company continued to give major emphasis for conservation of Energy.

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

### 24) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Foreign Exchange Used	Nil	Nil
Foreign Exchange Earned	Nil	Nil

### 25) CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Corporate Social Responsibility ("CSR") initiatives and activities of the Company are aligning with requirements of Section 135 of the Act and Rules, Circulars, Notifications made/ issued thereunder.

The amount required to be spent by the Company on CSR during the financial year 2023-24 does not exceed fifty lakh rupees and accordingly all the functions of CSR committee are discharged and approved by the Board of Directors of the Company.

During the financial year 2023-24, the Company has identified rural development projects as the focused area for its CSR activity(ies). The Company has also in place a CSR Policy as approved by the Board and the same is available on the Company's website at <http://www.comfortfincap.com/Investorrelation>.

Further, Chief Financial Officer of the Company has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board for financial year 2023-24. The detailed CSR Report in prescribed form is annexed to this Report as **Annexure IV**.

### 26) RISK MANAGEMENT

Your Company has established a Risk Management Policy to systematically identify risks inherent in its business operations. This policy provides guidelines for defining, measuring, reporting, controlling, and mitigating identified risks. An enterprise-wide risk management framework is implemented to ensure effective risk management throughout the organization.

Risk management is considered an integral part of every employee's role, emphasizing proactive identification and mitigation of risks. Both the Audit Committee and Risk Management Committee play crucial roles in evaluating the effectiveness of the risk management systems.

The Policy is designed to identify elements of risk and establish procedures for reporting these risks to the Board. The Board periodically reviews the business plan and develops a comprehensive Risk Management Strategy. This strategy encompasses guiding principles for proactive planning to identify, analyze, and mitigate all material risks, including those external and internal, such as Environmental, Business, Operational, Financial, and others.

### 27) LOANS, GUARANTEE OR INVESTMENTS IN SECURITIES

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with RBI are exempt from the applicability of the provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report. Pursuant to Regulations 34(3) of the SEBI Listing Regulations, the particulars of loans / advances have been disclosed in the notes to financial statements.

### 28) CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have certified to the Board about compliance by the Company in accordance with Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations for the financial year ended March 31, 2024 and the same forms part of this Annual Report.

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

During the financial year 2023-24, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

### 30) SECRETARIAL STANDARDS

Your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

### 31) GENERAL DISCLOSURE

- There has been no change in the nature of business of the Company;
- There was no revision in the financial statements;
- The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of section 54(1) (d) of the Act read with rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished;
- The Company has not issued any shares with differential rights and hence no information as per provisions of section 43(a)(ii) of the Act, read with rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished. • The Company has not granted employee stock options as per provisions of section 62(1)(b) of the Act, read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.
- During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act, read with rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
- During the year under review, no funds were raised through preferential allotment or qualified institutional placement.
- The Company has complied with relevant guidelines as prescribed by Reserve Bank of India from time to time and filed necessary forms as required by the NBFC's.
- During the year under review, the Company has not made any application under Insolvency and Bankruptcy Code, 2016 and there is no proceeding pending under the said Code as at the end of the financial year;
- During the year, the Company has not undergone any one-time settlement and therefore the disclosure in this regard is not applicable.

### 32) ACKNOWLEDGEMENTS

Your directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength.

Your directors also acknowledge with gratitude the encouragement and support extended by our valued members.

**For and on behalf of the Board of Directors of  
Comfort Fincap Limited**

Sd/-

**Ankur Agrawal**  
**Chairperson and Director**  
**Din: 06408167**

**Date:** August 02, 2024.

**Place:** Mumbai

**ANNEXURE I  
FORM AOC-1**

**Statement containing the salient features of the financial statements of subsidiaries/ associate companies/ joint ventures**  
(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**PART "A": SUBSIDIARIES:**

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

**PART "B": ASSOCIATES AND JOINT VENTURES:**

The Company does not have any Joint Venture during the year. However, the Company has one Associate Company and details of the same is mentioned here in below:

Name of Associates or Joint Ventures	Lemonade Shares and Securities Private Limited
1. Latest audited Balance Sheet Date	March 31, 2024
2. Date on which the Associate or Joint Venture was associated or acquired	November, 2012
3. Shares of Associate or Joint Ventures held by the company on the year end	
Number of Equity Shares:	2,20,000
Amount of Investment in Associates or Joint Venture	Rs. 22,00,000/-
Extent of Holding (in percentage):	46.81%
4. Description of how there is significant influence	Equity Holding
5. Reason why the associate / joint venture is not consolidated	Not applicable, since it is consolidated
6. Net-worth attributable to shareholding as per latest audited Balance Sheet	Rs. 4,67,44,091/-
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 1,044.80 /-
ii. Not Considered in Consolidation	Rs. 1,187.20 /-

**For and on behalf of the Board of Directors  
of Comfort Fincap Limited**

Sd/-

**Ankur Agrawal**  
**Chairperson and Director**  
**Din: 06408167**

**Date:** August 02, 2024.

**Place:** Mumbai



**ANNEXURE II**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024**

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

To,  
The Members,  
**Comfort Fincap Limited**  
301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch,  
S. V. Road, Malad, Mumbai- 400064

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31<sup>st</sup> March, 2024** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(There were no events requiring compliance during the audit period)**
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(There were no events requiring compliance during the audit period)**
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(There were no events requiring compliance during the audit period)**
  - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021; **(There were no events requiring compliance during the audit period)**
  - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations 2018;

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under various applicable Laws, Rules and Regulations the Company as follow:

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

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

- i. Secretarial Standards with regard to Meeting of the Board of Directors (SS-1), General Meeting (SS-2), Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with Stock Exchange, if applicable and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I report that:**

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

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

**I further report** during the audit period, the Company had following specific events/actions having a major bearing on the Company's affairs:

**i. Voluntary de-listing of Equity shares from Calcutta Stock Exchange Limited:**

The Company has voluntarily delisted from the Calcutta Stock Exchange Limited with effect from 01<sup>st</sup> February, 2024 vide approval letter dated 31<sup>st</sup> January, 2024.

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

**Sd/-**

**Mitesh Shah**

**Proprietor**

**FCS No.: 10070**

**C. P. No.: 12891**

**Peer Review Certificate No. 1730/2022**

**UDIN No: F010070F000238551**

**Date: 25.04.2024**

**Place: Mumbai**

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

**Annexure A**

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

**Management's Responsibility Statement**

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

**Auditor's Responsibility Statement**

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

**Disclaimer**

- v. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
- vi. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- vii. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

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

**Sd/-**

**Mitesh Shah**

**Proprietor**

**FCS No.: 10070**

**C. P. No.: 12891**

**Peer Review Certificate No. 1730/2022**

**Date: 25.04.2024**

**Place: Mumbai**

### ANNEXURE III

#### STATEMENT UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. **The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2023-24:**

(Rs. in lakh)

Name of Directors/KMP	Designation	Ratio of Remuneration of each Director / Employee to the median remuneration	Remuneration for the financial year	
			2023-24	2022-23
Mr. Ankur Agrawal#	Executive Director, Chairperson	2.70	47.00	38.25
Mr. Devendra Lal Thakur*	Non-Executive Independent Director	0.05	0.90	1.05
Mr. Milin Ramani*	Non-Executive Independent Director	0.05	0.90	1.05
Mrs. Apeksha Kadam*	Non-Executive Non-Independent Director	0.05	0.80	0.55
Mr. Bharat Shiroya	Chief Executive Officer	1.49	26.00	27.60
Mrs. Nirmala Kanjar	Chief Financial Officer	0.87	15.25	12.82
Ms. Sneha Mandelia	Company Secretary and Compliance Officer	0.51	8.90	1.88

# Remuneration to Mr. Ankur Agrawal includes Sitting fees.

\* Only Sitting fees paid for attending meetings.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2023-24 as compared to financial year 2022-23:**

Name of Directors/ KMP	Designation	% increase / decrease in Remuneration
Mr. Ankur Agrawal	Executive Director	22.88
Mr. Devendra Lal Thakur	Non-Executive Independent Director	NA
Mr. Milin Ramani	Non-Executive Independent Director	NA
Mrs. Apeksha Kadam	Non-Executive Non-Independent Director	NA
Mr. Bharat Shiroya	Chief Executive Officer	(5.80)
Mrs. Nirmala Kanjar	Chief Financial Officer	18.95
Ms. Sneha Mandelia	Company Secretary & Compliance Officer	373.40

3. **The Percentage increase in the median remuneration of employees in the financial year 2023-24:**

The percentage increase in the median remuneration of all employees in the financial year was 68.79%.

4. **The number of permanent employees on the payroll of Company as on March 31, 2024:**

The number of permanent employees on the payroll of Company as on March 31, 2024 were 09.

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

Average percentage increase made in the salaries of the employees other than the Managerial Personnel in the financial year was (35.90%) vis a vis increase of 19.89% in the salaries of Managerial Personnel.

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

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

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

**For and on behalf of the Board of Directors  
of Comfort Fincap Limited**

Sd/-

**Ankur Agrawal  
Chairperson And Director  
Din: 06408167**

**Date:** August 02, 2024.

**Place:** Mumbai

ANNEXURE IV

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

[Pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

The objective of CSR Policy of the Company is to persist to contribute towards enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water facility; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports and to do such other activities as may be permissible under section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Rules').

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

2. Composition of the CSR Committee as on March 31, 2024:

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

3. Web-link where CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.comfortfincap.com/Investorrelation>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **NOT APPLICABLE**

5. (a) Average net profit of the company as per section 135(5): Rs. 6,10,35,546/-

(b) Two percent of average net profit of the company as per section 135(5): Rs. 12,20,711/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: Rs. 28,924

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 8,73,076/-

6. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,25,000/-	-	-	-	-	-

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

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR registration number
1.	Food and Shelter facilities to needy people	Section (x) – Rural development	No	Rajasthan	Jhunjhunu	12,25,000/-	No	Seth Govindram Charitable Trust	CSR00014394
<b>TOTAL</b>						<b>12,25,000/-</b>			

(d) Amount spent in Administrative Overheads: NA

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 12,25,000/-

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	12,20,711
(ii)	Total amount spent for the financial year	12,25,000
(iii)	Excess amount spent for the financial year	4,289
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial year	33,213

7. (a) Details of Unspent CSR amount for the preceding three financial years:

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

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

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

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

For and on behalf of the Board of Directors  
of Comfort Fincap Limited

Sd/-

**Ankur Agrawal**  
Chairperson And Director  
Din: 06408167

Date: August 02, 2024.

Place: Mumbai

## CORPORATE GOVERNANCE REPORT

*[Pursuant to Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

The Company's Report on Corporate Governance for the period ended March 31, 2024 pursuant to Regulation 34(3) and Clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is presented as below. This Report provides a comprehensive overview of the Company's approach towards good Corporate Governance.

### CORPORATE GOVERNANCE

Corporate Governance is about meeting our strategic goals responsibly and transparently, while ensuring accountability to stakeholders, encompassing both societal and organizational dimensions. A company which is governed by Corporate Governance principles, processes and systems encourages a trustworthy, moral, as well as an ethical environment. The essence of Corporate Governance is independence, transparency, accountability, integrity, responsibility, compliance, disclosure, ethics, values and trust. By embracing Corporate Governance, organizations can operate efficiently and ethically, thereby generating sustainable wealth and creating value for stakeholders over the long term.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder trust. An effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Our Corporate Governance practices are reflection of our value system encompassing our culture, policies, and relationships with our stakeholders and are founded upon a rich legacy of fair, ethical and transparent practices, many of which were in place even before they were mandated by regulatory authorities. Integrity, transparency, professionalism, honesty, integrity and ethical behaviour are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholders value legally, ethically and sustainably. At Comfort Fincap Limited ("the Company"), the Board along with its various committees exercises its fiduciary responsibilities in the widest sense of the term towards all its stakeholders by ensuring fair play and independence in its decision making.

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

The Company's Corporate Governance structure has evolved over the years and it provides a comprehensive framework to enhance accountability to shareholders and other stakeholders. It ensures timely implementation of the plans and adequate disclosures as well as fair dealings with shareholders and other stakeholders' interests. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances.

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

### THE BOARD OF DIRECTORS

#### a. Composition of the Board of Directors

The Company is professionally managed company functioning under overall supervision of the Board of Directors ('the Board'). The Board of the Company consists of professionals from varied industries. The day-to-day affairs of the Company is entrusted and managed by the senior management personnel and head of departments.

During the year under review, the composition of the Board adhered to Regulation 17 of the SEBI Listing Regulations, in conjunction with Section 149 and 152 of the Companies Act and the applicable rules. This ensured compliance with regulatory requirements governing board composition, director qualifications, and the process of appointment and retirement of directors.

As on March 31, 2024, the Board consisted of four Directors, out of which three Directors (75%) were NEDs. The Company has an Executive Chairperson and two Independent Directors ('IDs'), and one Woman Non Executive Director.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, as disclosed under Section 184 of the Act read with Rules framed thereunder and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than seven listed entities and none of the IDs are WTDs/EDs/Managing Directors in any listed entity. Furthermore, none of the WTDs of the Company serve as IDs in more than three listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director.

The Directors are eminent professionals/experts with experience in business and strategic management, finance and business law, risk management and global business knowledge. The profile of the Directors can be accessed on our website at [www.comfortfincap.com](http://www.comfortfincap.com).



**b. Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM), Directorships and Committee Memberships/ Chairpersonships in other Companies as on March 31, 2024 are given below:**

Name of the Directors' and Category of Directorship	No. of Board Meetings attended during the financial year 2024-25		Attendance at 41 <sup>st</sup> AGM, held on September 12, 2023	No. of shares and convertible instruments held in the Company	No. of Directorship in other entities (Including the Company)	Position in *Committees in Public & other entities (Including your Company)		Names of the other listed entities where the person is a director	Category of Directorship in other Listed Companies
	No. of Meetings held	No. of Meetings attended				Member	Chair person		
<b>Mr. Ankur Agrawal</b> Executive Director, Chairperson (DIN:06408167)	4	4	Yes	0	11	9	2	Comfort Commotrade Limited	Non-Executive-Non Independent Director
								Luharuka Media & Infra Limited	Executive Director-Chairperson- Managing Director
								Comfort Intech Limited	Non-Executive- Non Independent Director-Chairperson
<b>Mr. Devendra Lal Thakur</b> Non-Executive, Independent Director (DIN:00392511)	4	4	Yes	0	4	8	5	Comfort Commotrade Limited	Non-Executive, Independent Director
								Luharuka Media & Infra Limited	Non-Executive, Independent Director
								Comfort Intech Limited	Non-Executive, Independent Director
								Comfort Commotrade Limited	Non-Executive, Independent Director
<b>Mr. Milin Ramani</b> Non-Executive, Independent Director (DIN:07697636)	4	4	Yes	1000	11	10	1	Luharuka Media & Infra Limited	Non-Executive, Independent Director
								Comfort Intech Limited	Non-Executive, Independent Director
								Tree House Education & Accessories Limited	Non-Executive, Independent Director
								Hubtown Limited	Non-Executive-Independent Director
<b>Mrs. Apeksha Kadam</b> Non- Executive- Non- Independent Woman Director (DIN:08878724)	4	4	Yes	0	10	1	1	Binani Industries Ltd	Non-executive Independent Director
								Relcon Infraprojects Ltd.	Non-executive Independent Director
								Comfort Commotrade Limited	Non-Executive- Non-Independent Woman Director-Chairperson
								Luharuka Media & Infra Limited	Non- Executive- Non-Independent Woman Director
								Comfort Intech Limited	Executive Woman Director

**Notes:**

- (1) \*Represents Chairpersonship /Membership of Audit Committee and Stakeholders' Relationship Committee of other companies.
- (2) None of the Directors holds directorship in more than twenty (20) Indian companies, with not more than ten (10) public limited companies. Further, pursuant to Regulation 17A of the SEBI Listing Regulations, none of the Directors on the Board serves as an independent director in more than seven (7) listed entities and none of the Director who is Executive Director serves as independent director in more than three (3) listed entities. Also, none of the Director acts as a member of more than ten (10) committees or acts as a chairperson of more than five (5) committees (committees being Audit Committee and Stakeholders Relationship Committee) across all Public Limited Companies in which they are Director as per Regulation 26(1) of the SEBI Listing Regulations.
- (3) No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Act.

**c. Number of Board Meetings**

During the financial year ended March 31, 2024, four (4) Board Meetings were held on May 05, 2023, July 28, 2023, November 03, 2023 and January 20, 2024 and the gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

**d. Disclosure of relationships between directors inter-se:** There is no relationships between directors inter-se.

**e. Independent Directors and their Meetings**

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

The Company, based on the recommendation of the Nomination and Remuneration Committee and Board, has appointed Independent Directors from diversified field who have adequate experience, skills and capabilities required for the perform roles of Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Act and SEBI Listing Regulations.

There were no changes in Independent Directors during the year under review. The meeting of the Independent Directors was held on January 20, 2024 as per the Schedule IV of the Act and the Rules thereunder to discuss the affairs of the Company and inter-alia to:

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

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

**f. Familiarization Programme for Independent Directors**

The details of the familiarization programme are provided under Directors' Report. The policy on Company's familiarization program for independent directors & details of familiarization programme imparted to Independent Directors are hosted on the Company's website at <http://www.comfortfincap.com/Investorrelation>

**g. Core skills / Expertise / Competencies of the Board**

The Board comprises of highly qualified and experienced members who possess required skills, expertise, diversity, competence and independence which is required by the Company and thereby provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities.

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

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

#### h. Confirmation of the Board for Independent Directors:

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they are independent of the management. The Independent Directors have registered their names in the Data Bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended. Further, none of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence.

#### COMMITTEES OF THE BOARD:

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

The Board has constituted following committees:

#### STATUTORY COMMITTEE

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

#### 1. AUDIT COMMITTEE

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name of Members	Category	
Audit Committee	<ul style="list-style-type: none"> <li>• The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Act read with regulation 18 of the SEBI Listing Regulations.</li> <li>• The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and section 177 of the Act.</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Devendra Lal Thakur (Chairperson)</li> <li>Mr. Ankur Agrawal (Member)</li> <li>Mr. Milin Ramani (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive -Independent Director</li> <li>Executive Director</li> <li>Non-Executive -Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• During the financial year under review, the Audit Committee met 4 (Four) times on May 05, 2023, July 28, 2023, November 03, 2023 and January 20, 2024.</li> <li>• The Committee comprises of three Directors out of which 2/3<sup>rd</sup> are Independent Directors and Chairperson of the committee is an Independent Director;</li> <li>• All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management;</li> <li>• The Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings;</li> </ul>
		<ul style="list-style-type: none"> <li>• There was 100% Attendance of all members in all the meetings of committee. Further, Audit committee meetings were also attended by internal &amp; statutory auditors.</li> <li>• The AGM for the financial year 2022-23 was held on September 12, 2023 and was attended by Mr. Devendra Lal Thakur, Chairperson of the Committee.</li> </ul>		

**2. NOMINATION AND REMUNERATION COMMITTEE**

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name of Members	Category	
Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of section 178 of the Act read with regulation 19 of SEBI Listing Regulations.</li> <li>The terms of reference of the Nomination and Remuneration Committee are as contained under regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and section 178 of the Act.</li> </ul>	Mr. Devendra Lal Thakur (Chairperson) Mr. Milin Ramani (Member) Mrs. Apeksha Kadam (Member)	Non-Executive -Independent Director Non-Executive -Independent Director Non-Executive -Non-Independent Director	<ul style="list-style-type: none"> <li>During the financial year under review, the Committee met only once times on May 05, 2023;</li> <li>The Nomination and Remuneration Committee comprises of three directors out of which 2/3<sup>rd</sup> are Independent Directors and Chairperson of the committee is an Independent Director;</li> <li>Details of and Remuneration Policy is mentioned below:</li> </ul>
		<ul style="list-style-type: none"> <li>There was 100% Attendance of all members in all the meetings of committee.</li> <li>The AGM for the financial year 2022-23 was held on September 12, 2023 and was attended by Mr. Devendra Lal Thakur, Chairperson of the Committee.</li> </ul>		

**Nomination and Remuneration Policy**

- Your Company's Nomination and Remuneration Policy for Directors and Senior Managerial Personnel is approved by the Nomination and Remuneration Committee and the Board. It is driven by the success and performance of the individual employees and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high-performance workforce. The purpose of the Remuneration Policy is to establish and govern the procedure applicable:
  - Appointment of Directors, KMP & other senior management.
  - To evaluate the performance of the members of the Board.
  - To ensure remuneration payable to Directors, KMP & other Senior Management strike appropriate balance and commensurate among others with the functioning of the Company and its long-term objectives.
  - To retain motivate and promote talent within the Company and to ensure long term sustainability of the managerial persons and create competitive advantage.
  - To recommend to the board, all remuneration, in whatever form, payable to senior management.

The policy inter-alia covers the Directors' appointment and remuneration, Key Managerial Personnel and other senior management appointment and remuneration. The NRC while recommending the appointment of any Director, considers the manner in which, the experience and expertise of the individual, could contribute to the overall growth, development, object and goals of the Company.

The Remuneration Policy as required under section 178 of the Act and regulation 19 of SEBI Listing Regulations is available on the website of the Company and can be accessed at web link <http://www.comfortfincap.com/Investorrelation>.

**Remuneration of Directors**
**i. Pecuniary Relationship or Transactions with Non-Executive Directors.**

During the year, there were no pecuniary relationships or transactions entered into between the Company and any of its Non-Executive / Independent Directors apart from payment of sitting fees and / or commission / perquisites as approved by the members. Further, the Company also reimburses out-of-pocket expenses, if any to Non-Executive Directors for attending meetings or otherwise.

**ii. Criteria of making payment of Remuneration to Non-Executive Directors**

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

- During the financial year 2023-24, no Commission was paid to the NEDs;
- The sitting fees payable to the NEDs for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The details of sitting fees paid to the Non-Executive Independent Directors and Non- Executive Non-Independent Directors for the financial year 2023-24 are given in Annexure III of the Directors' Report.

### iii. Details of Remuneration paid to Executive Directors:

The details of remuneration paid to the Executive Directors for the financial year 2023-24 are mentioned under Annexure III of the Directors' Report. The remuneration paid to the Executive Directors is inclusive of all benefits i.e. salary, bonus, etc. Further, the Company has not issued any stock options to the Director of the Company.

### Performance evaluation of the Independent Directors

Pursuant to Regulation 17 (10) of SEBI Listing Regulations, the evaluation of Independent Directors was done by the entire board of directors which included:

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

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the SEBI Listing Regulations the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual Directors. Based thereon, the evaluation was carried out by the Board. The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Name of the Committee	Terms of reference	Category and Composition		Other details
		Name of Members	Category	
Stakeholders Relationship Committee	<ul style="list-style-type: none"> <li>Company's Stakeholders Relationship Committee is constituted pursuant to section 178 (5) of the Act and Regulation 20 of the SEBI Listing Regulations.</li> <li>The terms of reference of the Stakeholders' Relationship Committee are as contained under Regulation 20 read with para B of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act.</li> </ul>	Mr. Devendra Lal Thakur (Chairperson) Mr. Ankur Agrawal (Member) Mr. Milin Ramani (Member)	Non-Executive-Independent Director Executive Director Non-Executive-Independent Director	<ul style="list-style-type: none"> <li>During the financial year under review, the Audit Committee met 4 (Four) times on May 05, 2023, July 28, 2023, November 03, 2023 and January 20, 2024.</li> <li>The Committee comprises of three directors out of which two are independent directors. The Chairperson of the Committee is Independent Director;</li> <li>Details of Investor complaints and Compliance Officer are provided below.</li> </ul>

### Status of Transfers

There were no pending share transfer requests as on March 31, 2024.

### Complaints:

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

Status of Investor Complaints	No. of Complaints Pending
1. Pending at the beginning of the financial year	0
2. Received during the financial year	0
3. Disposed off during the financial year	0
4. Pending at the end of the financial year	0

### Name, designation and address of Compliance Officer:

**Ms. Sneha Mandelia,**

### Company Secretary and Compliance Officer

**Corporate Office:** A- 301, Hetal Arch, Opp. Natraj Market, S. V. Road, Malad (West), Mumbai – 400 064.

**Registered Office:** 22, Camac Street, Block 'B', Ground Floor, Behid Pantaloons, Kolkata, West Bengal, 700016

**Phone No.:** 022-6894-8500/08/09

**Attendance records of Committee Meetings during the financial year 2023-24**

<b>Name of the Committee</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Stakeholders Relationship Committee</b>
No. of meetings held	4	1	4

<b>Name of the member</b>	<b>No. of meetings attended</b>		
Mr. Devendra Lal Thakur	4	1	4
Mr. Milin Ramani	4	1	4
Mr. Ankur Agrawal	4	-	4
Mrs. Apeksha Kadam	-	1	-

**NON-STATUTORY COMMITTEE  
OPERATIONS COMMITTEE**

The Operations Committee of the Company was constituted by the Board of Directors in their meeting held on July 12, 2023, for operational convenience and to deal with the matters relating to frequent banking and day-to-day business affairs on urgent business without necessarily calling for a board meeting.

The Composition of the Committee as follows:

1. Mrs. Apeksha Kadam, Non-Executive-Non-Independent Women Director;
2. Mr. Ankur Agrawal, Executive Director;
3. Mr. Bharat Shiroya, Chief Executive Officer.

The terms of reference of the Operations Committee include the following:

- a) To authorize opening and closing of bank accounts & to authorize additions/deletions to the signatories pertaining to banking transactions;
- b) To approve investment of surplus funds of the Company in various mutual funds, fixed deposits, govt. treasury bonds or any other securities subject to limit as specified under the provisions of section 186 of the Act read with limits set by Shareholders of the Company from time to time;
- c) To approve any borrowing of money by the Company subject to limit as specified under the provisions of section 180 of the Act read with limits set by Shareholders of the Company from time to time;
- d) To grant loans or give guarantee or provide security in respect of loans on behalf of the Company subject to limit as specified under the provisions of section 186 or any other provisions of the Act read with limits set by Shareholders of the Company from time to time;
- e) To approve transactions relating to foreign exchange exposure, derivative & hedging contracts including but not limited to forward cover and derivative products (within overall aforesaid limit of investment), including delegating such power to any other official of the Company;
- f) To delegate authority to the Company officials, Authorised Representative to represent the Company at various Courts, National Company Law Tribunal (NCLT), Government authorities, Stock Exchange(s), Securities and Exchange Board of India (SEBI), Securities Appellate Tribunal (SAT) or Arbitration or any Court of Law or any Tribunal or any Quasi-Judicial or Statutory or Administrative Authority to attend, sign and submit applications, petitions, plaints, written statement, counterclaim, objection petition, Complaints, vakalatnamas, evidence, affidavits and all other documents, etc.;
- g) To approve, sign and execute service agreements, consultancy agreements, technical support agreements, or any other agreements, accepting Purchase Order or purchase contracts or incurring of any commitments including delegating such power to any other official/employee/authorised Representative of the Company to sign and execute such agreements;
- h) Allotment and Post-Allotment activities of Company's Securities. The scope of work of this Committee is to approve allotment, issue of Certificate/Letter of allotment, transfer, transmission, re-materialisation, issue of duplicate certificates, consolidation /split of Company's domestic and foreign Securities, (if any);

During the period under review, the Operations Committee met once on July 12, 2023.

The Company Secretary acts as the Secretary for all the Committees.

### Senior Management:

During the year under review, there have been no changes in senior management since the close of previous financial year. Particulars of senior management as on March 31, 2024 is as following:

Sr. No.	Name of Senior Management Personnel	Designation
1	Mr. Bharat Shiroya	Chief Executive Officer
2	Mrs. Nirmala Kanjar	Chief Financial Officer
3	Ms. Sneha Mandelia	Company Secretary & Compliance Officer

### GENERAL BODY MEETINGS

#### A. Details of Date, Time, Location and Special Resolutions Passed during last three years Annual General Meeting (AGM):

Financial Year	AGM	Location	Date & Time	Nature of Special Resolution, if any, Passed
2020-21	39 <sup>th</sup> AGM	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	September 08, 2021 at 4:00 P.M.	<ol style="list-style-type: none"> <li>To appoint Mrs. Apeksha Kadam (DIN: 08878724), as Non-Executive Non-Independent Director on the Board.</li> <li>To approve and Ratify the Related Party Transactions.</li> </ol>
2021-22	40 <sup>th</sup> AGM	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	September 21, 2022 at 11:00 A.M.	<ol style="list-style-type: none"> <li>To re-appoint Mr. Devendra Lal Thakur (DIN: 00392511), as Non-Executive-Independent Director on the Board.</li> <li>To ratify and approve the Related Party Transactions.</li> <li>To consider and approve waiver of recovery of excess managerial remuneration paid to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson for the financial year ended March 31, 2022.</li> <li>To approve the remuneration payable to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson.</li> </ol>
2022-23	41 <sup>st</sup> AGM	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)	September 12, 2023 at 11:30 A.M.	<ol style="list-style-type: none"> <li>To ratify and approve the Related Party Transactions.</li> <li>To approve revision in remuneration payable to Mr. Ankur Agrawal (DIN: 06408167), Executive Director and Chairperson.</li> </ol>

#### B. Extra-Ordinary General Meetings:

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

#### C. Postal Ballot:

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

No special resolution passed through postal ballot.

#### Details of special resolution proposed to be transacted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

### MEANS OF COMMUNICATION:

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies. The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner as follows:

- Quarterly results: Quarterly, half-yearly and annual financial results are disseminated to stock exchange(s) as per the provisions of Regulation 30 of the SEBI Listing Regulations and the same are also published in Financial Express & Duranto Batra in compliance with Regulation 47 of the SEBI Listing Regulations.
- Stock Exchange: The Company discloses to the Stock Exchange where the shares of the Company are listed, all information as required to be disclosed pursuant to the provisions of the SEBI Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events for making disclosures to Stock Exchanges.



- Website: Your Company maintains a website <http://comfortfincap.com/>, wherein there is a dedicated section 'Investor Relation'. The Company's website is a comprehensive reference on its leadership, management, vision, mission, policies, corporate governance, investor relations, service offerings, updates and news. Further, all disclosures disseminated to Stock Exchanges are also made available on the Company's website as required under Regulation 46 of SEBI Listing Regulations.
- Other Means of Communication and designated Email: Facility has been provided by the SEBI for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). Further, the Companies has registered itself on new platform made available by SEBI, i.e. SMART ODR portal (Securities Market Approach for Resolution through ODR Portal) which is designed to enhance investor grievance redressal by enabling investors to access Online Dispute Resolution Institutions for the resolution of their complaints, if any, against the Companies. Any the aggrieved party can, pursuant to SEBI Circulars issued from time to time, initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.
- Further, Email ID: [info@comfortfincap.com](mailto:info@comfortfincap.com) has been designated for the purpose of registering complaints by shareholders or investors or mail to Company's RTA on [info@bigshareonline.com](mailto:info@bigshareonline.com).

**GENERAL SHAREHOLDERS INFORMATION**
**a) Annual General Meeting ("AGM") for the Financial Year 2023-24**

<b>Day and Date</b>	Sunday, August 25, 2024
<b>Time</b>	11:30 A.M. IST
<b>Venue</b>	AGM to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

**b) The Financial year and tentative calendar:**

The Company follows the financial year from April 01 to March 31. Tentative calendar for declaration of financial results for the financial year 2024-25 are as given below. In addition, the Board may meet on other dates as and when required.

Quarter ending June 30, 2024	On August 02, 2024
Quarter ending September 30, 2024	On/before November 14, 2024
Quarter ending December 31, 2024	On/before February 14, 2025
Financial year ending March 31, 2025	On/before May 30, 2025

- c) Book Closure Date:** August 19, 2024 to August 25, 2024 (both days inclusive).
- d) Dividend Payment Date:** The dividend on equity shares, if approved at the ensuing AGM, will be paid within statutory time limit of 30 days from the date of AGM subject to deduction of tax at source ("TDS")
- e) The name and address of each Stock Exchange at which the listed entity's securities are listed.**

Sr. No.	Name and address of the Stock Exchange	Scrip Code
1.	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001, MH, IN	Scrip Code – 535267 ISIN- INE274M01026*
2.	<b>Calcutta Stock Exchange Limited</b> 7, Lyons Range, Dalhousie, Kolkata-700 001, West Bengal	26078**

\*The ISIN of the Company has been changed from INE274M01018 to INE274M01026 on May 05, 2023 (record date) pursuant to corporate action for sub-division/split of equity shares of the Company.

\*\* The Company applied for voluntary delisting of their equity shares from the Calcutta Stock Exchange Limited ("CSE Limited"). The CSE Limited Approved Comfort Fincap Limited's application for Voluntary Delisting of its Equity Shares from CSE Limited and equity shares were accordingly delisted with effect from February 01, 2024.

Annual Listing Fees for the financial year 2023-24 has been paid to the above Stock Exchanges.

**f) Stock Market Data:**

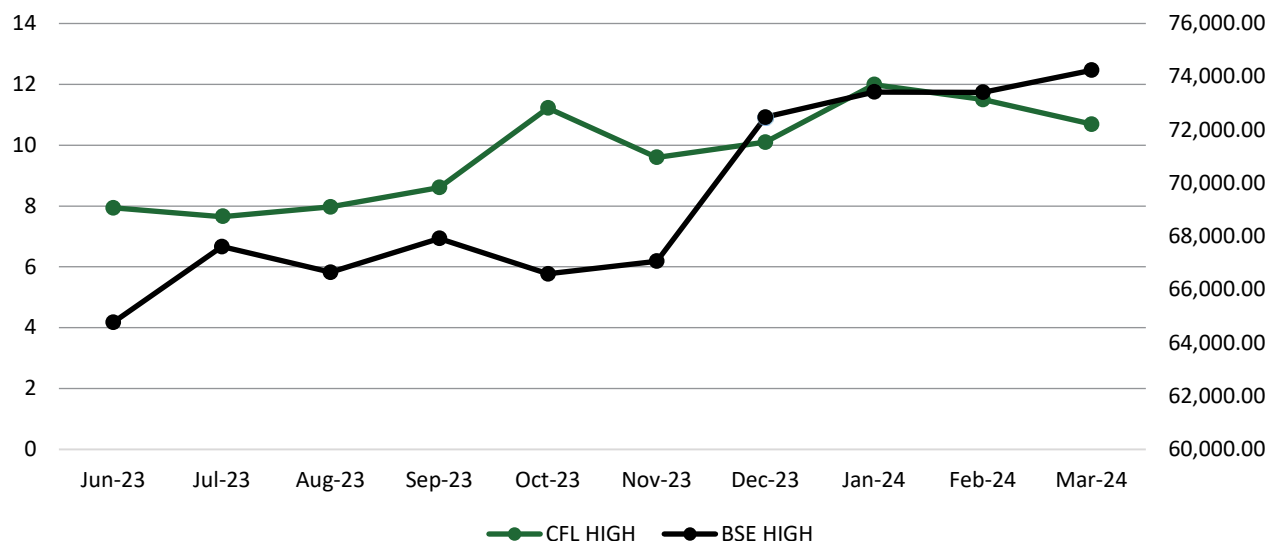
High, Low (based on daily closing prices) and number of equity shares traded during each month of the financial year 2023-24 on BSE Limited:

Month	BSE Limited		
	High (Rs.)	Low (Rs.)	Volume Traded
April-2023	52.45	36.19	1062465
May-2023	43.35	6.47	4437959
June-2023	7.94	6.7	2931448
July-2023	7.65	6.55	2029588
August-2023	7.97	6.77	2312286
September-2023	8.61	6.8	4041908
October-2023	11.22	7.9	7371582
November-2023	9.6	8.19	3258511
December-2023	10.1	8.18	4036648
January-2024	11.99	9.62	7631465
February-2024	11.5	9.9	3574025
March-2024	10.69	7.6	2528831

The equity shares of the Company were split/ sub-divided such that each equity share having face value of INR 10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of INR 2/- (Rupees Two only) each, fully paid-up with effect from May 5, 2023 (Record Date).

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

Month	S & P BSE SENSEX			Comfort Fincap Limited		
	High (Rs.)	Low (Rs.)	Close (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April-2023	61,209.46	58,793.08	61,112.44	52.45	36.19	39.33
May-2023	63,036.12	61,002.17	62,622.24	43.35	6.47	6.96
June-2023	64,768.58	62,359.14	64,718.56	7.94	6.7	7.14
July-2023	67,619.17	64,836.16	66,527.67	7.65	6.55	7.32
August-2023	66,658.12	64,723.63	64,831.41	7.97	6.77	6.8
September-2023	67,927.23	64,818.37	65,828.41	8.61	6.8	8.51
October-2023	66,592.16	63,092.98	63,874.93	11.22	7.9	9.37
November-2023	67,069.89	63,550.46	66,988.44	9.6	8.19	8.39
December-2023	72,484.34	67,149.07	72,240.26	10.1	8.18	9.7
January-2024	73,427.59	70,001.60	71,752.11	11.99	9.62	10.91
February-2024	73,413.93	70,809.84	72,500.30	11.5	9.9	10.26
March-2024	74,245.17	71,674.42	73,651.35	10.69	7.6	9.01

**Performance of Share Price of the Company in comparison to the BSE Sensex (Indexed)**

**h) Registrar to an Issue and Share Transfer Agent**

**Name:** Bigshare Services Private Limited

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

**Tel:** 022-62638200 Fax: 022-62638299

**Website:** www.bigshareonline.com

**Email ID:** investor@bigshareonline.com

**i) Depository for Equity Shares**
**National Securities Depository Limited**

Address: Trade World, 'A' Wing, 4<sup>th</sup> floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013;  
Tel.: 91 22 2499 4200;  
Fax: 91 22 2497 6351;  
E-mail: info@nsdl.co.in

**Central Depository Services (India) Limited**

Address: Marathon Futurex, A-Wing, 25<sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai- 400 013;  
Tel.: +91 (022) 2305 8640 / 8642 / 8639;  
E-mail: helpdesk@cdslindia.com

**j) Share Transfer System**

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

**k) In case the securities of the company are suspended from trading, the reasons thereof**

The securities of the Company were not suspended from trading on BSE Limited during the year under review.

**l) Distribution of Share Holding (in Rupees) as on March 31, 2024.**

Nominal Value of equity shares is Rs. 02/- each.

Sr. No.	Range of Shareholding of Nominal (In Rs.)	Number of Shareholders	% of Total No. of Shareholders	Shares Amount (In Rs.)	% of total shareholding	
1	1	5000	13560	93.9123	8502506	7.8355
2	5001	10000	396	2.7426	3062632	2.8224
3	10001	20000	227	1.5721	3062632	3.1611
4	20001	30000	83	0.5748	2113332	1.9475
5	30001	40000	41	0.2840	1492652	1.3756
6	40001	50000	29	0.2008	1365870	1.2587
7	50001	100000	49	0.3394	3476288	3.2036
8	100001	999999999	54	0.3740	85069498	78.3957
<b>TOTAL</b>		<b>14439</b>	<b>100.00</b>	<b>10,85,13,000</b>	<b>100</b>	

**m) Categories of equity shareholding as on March 31, 2024:**

Category	Total Shareholders	% of Total no. of shareholders	Total Shares	% of Total shareholding
<b>Promoter &amp; Promoter Group (A)</b>				
Promoter	1	0.01	5820000	10.73
Promoter Group	2	0.01	24666967	45.46
<b>Public (B)</b>				
Resident Individuals	14038	98.59	18652393	34.38
HUF	118	0.83	772643	1.42
Corporate Bodies	17	0.12	2920037	5.38
Clearing Members	3	0.02	2483	0.35
Non Resident Indians	59	0.41	188822	2.27
Investor Education and Protection Fund (IEPF)	1	0.01	1233155	10.73
<b>TOTAL</b>	<b>14,239</b>	<b>100</b>	<b>5,42,56,500</b>	<b>100</b>

**n) Dematerialization of Shares & Liquidity**

Break-up of shares in physical & electronic mode as on March 31, 2024.

Mode	No. of shares	% of total Shareholding
Physical	5	0.01
National Securities Depository Limited	7386250	18.82
Central Depository Services (India) Limited	46870245	81.18
<b>Total</b>	<b>54256500</b>	<b>100</b>

**o) Reconciliation of Share Capital Audit**

As required under Regulation 76 of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 2018 as amended and SEBI Circular No. CIR/MRD/DP/30/2010, quarterly audit of the Company's share capital is being carried out by Independent Company Secretary in Practice with a view to reconcile the total share capital admitted with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and held in physical form, with the issued and listed capital. The Certificate in regard to the same has been submitted to BSE Limited and The Calcutta Stock Exchange Limited (for such period of time such equity shares of the Company were listed) and is also placed before the Board of Directors.

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

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2024, as such instruments have not been issued in the past.

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

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The Company does not enter into any derivative instruments for trading or speculative purposes. The disclosure on foreign exchange exposure as on March 31, 2024 are disclosed in notes to the Financial Statements.

**r) Plant Location:**

The Company does not have any plant.

**s) Address of Correspondence:**

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

**Corporate Office:** 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch, S. V. Road, Malad (West), Mumbai- 400064.  
Website: [www.comfortfinicap.com](http://www.comfortfinicap.com);  
Email: [info@comfortfinicap.com](mailto:info@comfortfinicap.com).

**Investor Grievance:** For Investor's related queries/complaints:  
Email: [info@comfortfinicap.com](mailto:info@comfortfinicap.com).

**t) List of Credit Ratings:** Not Applicable

**OTHER DISCLOSURES**
**a) Related Party Transactions:**

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

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

The Company has complied with all requirements specified under the SEBI Listing Regulations as well as other Regulations and guidelines of SEBI. No penalties have been imposed on the Company by the SEBI or by any statutory authority on any matters related to capital markets, except from BSE Limited, a fine of Rs. 41,300/- was levied under Regulation 33 of the SEBI Listing Regulations for non-compliance with the requirements pertaining to Statement on Impact of Audit Qualifications for period from January 01, 2021 to March 31, 2021. SEBI in its adjudication order no. Order/GR/BM/2022-23/19920-20003 dated September 30, 2022 has levied a penalty of Rs. 1,00,000/- in the matter of First Financial Service Limited.

The Company has duly complied with the above regulations and paid the fines.

**c) Whistle Blower Policy and Vigil Mechanism.**

In compliance with the requirements of Section 177 (9) of the Act and Regulation 22 of SEBI Listing Regulations, the Company has a Whistle Blower Policy and established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior, if any, occurred. Further, in terms to the provisions of the Act and SEBI Listing Regulations, no person has been denied access to the Chairperson of the Audit Committee.

The said policy has been uploaded on the website of the Company at the web link <http://www.comfortfinicap.com/Investorrelation>.

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

1. The Company has complied with all the applicable mandatory requirements of the Act and the SEBI Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the SEBI Listing Regulations regarding –
  - **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer (CEO):** The Company has different individuals serving as Chairperson and CEO respectively.
  - **Unmodified Opinion(s) in Auditors' Report -** The Company's Financial Statements for the financial year 2023-24 has the Unmodified opinion.
  - **Reporting of Internal Auditor -** The Internal Auditor reports directly to the Audit Committee and attends the Audit Committee meetings, interacts directly with the Audit Committee members.

**e) Web link where policy for determining ‘material’ subsidiaries is disclosed**

The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company’s website at the web link <http://www.comfortfincap.com/Investorrelation>.

**f) Corporate Policies:** The policies as required under the Act and the SEBI Listing Regulations are approved by the Board of Directors and are amended from time to time. The aforesaid policies are uploaded on the website of the Company at the web link <http://www.comfortfincap.com/Investorrelation>.

**g) The disclosure of commodity price risks and commodity hedging activities:** Not applicable.

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

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

**i) Certificate from Practicing Company Secretary**

Pursuant to Schedule V Para C clause (10) (i) of the SEBI Listing Regulations, a Certificate has been obtained from M/s. Mitesh J. Shah & Associates, Practicing Company Secretaries, as required under the SEBI Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority and annexed with this report.

**j) Compliance with Accounting Standards / IND AS**

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

**k) Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”). The Company has amended the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in the Board Meeting held on May 05, 2023.

Pursuant to above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of Insider Trading Regulations.

**l)** In the financial year 2023-2024, the board has accepted all recommendations of its committees.

**m)** Total fees paid to Statutory Auditors of the Company is Rs. 3,57,000/- for financial year 2023-24, for all services on a consolidated basis.

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

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

1.	No. of complaints filed during the financial year	Nil
2.	No. of complaints disposed off during the financial year	Nil
3.	No. of complaint pending as on end of the financial year	Nil

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

The Board of Directors of the Company also act as director on board of our group companies and loans issued to such entities are disclosed in notes to the standalone financial statements. No other loan/advances were given to any company/firm in which any of the Directors are interested, except for those which are disclosed in the notes to financials.

**p) Disclosure of certain types of agreements binding Company:**

During the year under review, no agreements was entered into by any of the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or subsidiary company, among themselves or with the Company or with any third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect had, impacted the management or control of the listed entity or imposed any restriction or created any liability upon the Company.

**q) Action required regarding non-receipt of dividends:**

In case of non-receipt/non-encashment of dividend warrants, the investors are requested to correspond as mentioned hereunder:

Financial years	Requested to correspond with	Action required
2016-17 & Onwards (till 14/10/2024)	Bigshare Services Private Limited	Request letter along with documents as required by RTA i.e. Bigshare Services Private Limited.
Up to 2015-16	From Investor Education and Protection Fund ("IEPF") Authority	Online Claim in Form IEPF-5 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and then send the same duly signed along with requisite documents as enumerated in the Instruction Kit of Form IEPF-5 to the Company at Registered Office for verification of the claim.

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

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

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

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

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years. Further, shares of the Company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the account of IEPF Authority. The details of unclaimed dividends and shares transferred to IEPF during the financial year 2022-23 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of Shares transferred
2015-16	Rs. 3,82,650/-	191,325 equity shares

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

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

Financial Year	Date of Declaration	Tentative dates for transfer of shares and dividend to IEPF
2015-16	10/09/2016	16/10/2023
2016-17	09/09/2017	15/10/2024
2017-18	28/09/2018	03/11/2025

**s) Code of Conduct**

The Company has formulated and adopted Code of Conduct for members of the board of directors and senior management personnel (which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act ("Code for Independent Directors") in accordance with Regulation 17(5) of the Listing Regulations) which is available on the website [www.comfortfincap.com](http://www.comfortfincap.com).

The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Bharat Shiroya, Chief Executive Officer (CEO) stating that the members of board of directors and senior management personnel have affirmed compliance with the Code of Conduct of board of directors and senior management personnel is forming part of this annual report.



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

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

I, Bharat Shiroya, Chief Executive Officer of Comfort Fincap Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management Personnel, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI Listing Regulations for the year ended March 31, 2024.

**For and on behalf of the Board of Directors  
of Comfort Fincap Limited**

**Date: April 25, 2024  
Place: Mumbai**

Sd/-  
**Bharat Shiroya  
Chief Executive Officer**

**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION**

This is to certify that:

- A. We have reviewed the financial statements and the cash flow statement for the quarter and financial year ended March 31, 2024 and that to the best of our knowledge and belief;
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the quarter and financial year ended on March 31, 2024 are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps have been taken to rectify these deficiencies.
- D. We further certify that we have indicated to the Auditors and the Audit Committee that;
- i. There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
- E. We further declare that, all board members and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management for the current year.

**For Comfort Fincap Limited**

**For Comfort Fincap Limited**

Sd/-  
**Nirmala Kanjar**  
**Chief Financial Officer**

Sd/-  
**Bharat Shiroya**  
**Chief Executive Officer**

**Place:** Mumbai

**Date:** April 25, 2024

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Comfort Fincap Limited CIN: L65923WB1982PLC035441**, having its Registered Office at 22 Camac Street Block 'B' Kolkata – 700016, West Bengal, India and its corporate office at 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch, S. V. Road, Malad Mumbai – 400064, Maharashtra, India (hereinafter called "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

**Details of Directors:**

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Devendralal Rambharose Thakur	00392511	20/10/2021
2.	Ankur Anil Agarwal	06408167	29/06/2019
3.	Milin Jagdish Ramani	07697636	29/06/2019
4.	Apeksha Santosh Kadam	08878724	12/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-  
**Mitesh Shah**  
Proprietor  
FCS No.: 10070  
C. P. No.: 12891  
Peer Review Certificate No. 1730/2022  
UDIN: F010070F000238683

**Date:** 25.04.2024  
**Place:** Mumbai

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE****[In terms of Regulation 34 (3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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

We have examined the compliance of conditions of Corporate Governance by Comfort Fincap Limited ('the Company'), CIN: L65923WB1982PLC035441 having Registered Office at 22, Camac Street Block 'B' Kolkata – 700016, West Bengal, India and its Corporate Office at 301, 3<sup>rd</sup> Floor, A Wing, Hetal Arch, S.V. Road, Malad Mumbai – 400064, Maharashtra, India for the year ended on March 31, 2024, as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

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

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

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

Sd/-  
**Mitesh J. Shah**  
Proprietor  
FCS No.: 10070  
C. P. No.: 12891  
Peer Review Certificate No. 1730/2022  
UDIN: F010070E000703279

**Date:** AUGUST 02, 2024  
**Place:** Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

### MACROECONOMIC OVERVIEW

The Financial Year 2023-24 presented a blend of both opportunities and challenges. Domestic activity showed resilience primarily due to robust domestic demand. This indicates that within the country, there was significant economic activity driven by consumer spending, investment, or other factors contributing to economic growth.

Geopolitical conflicts, widespread accumulation of debt, extreme weather events, and electoral processes in numerous regions contribute significantly to this uncertainty. These elements create a complex environment where economic conditions can shift unpredictably, impacting global markets and trade dynamics. Amidst these challenges, there are some positive developments. Inflation, which had surged in previous periods, has shown signs of easing and is expected to continue moderating. This moderation in inflation can provide some relief to consumers and businesses, potentially stabilizing economic conditions to a certain extent.

The overall global economic growth rate is projected to be around 3% for 2024. This reflects a cautious optimism amid the aforementioned challenges and indicates a modest pace of expansion across the world economy.

Despite global uncertainties and challenges such as geopolitical tensions and economic slowdowns in other regions, India's economy has managed to withstand adverse global spill overs. This resilience underscores the effectiveness of domestic policies and economic management.

Overall, while domestic demand provided a strong foundation for economic activity during the financial year, the global geopolitical landscape introduced volatility and challenges that needed to be navigated. These factors have collectively supported the economy in navigating global uncertainties while maintaining a steady growth trajectory.

#### Chart A: India's real GDP growth rate

Financial Year	GDP	GDP Growth
2024 (Q3, FY 2024)	\$4,112.00B	8.4%
2023	\$3,737.00B	7.2%
2022	\$3,385.09B	7.00%
2021	\$3,150.31B	9.05%

A positive GDP growth rate indicates economic expansion, whereas a negative rate indicates economic contraction or recession.

In the context of India, the GDP growth rate reflects the variations in the production value of goods and services over time. These fluctuations span periods both before and after the COVID-19 pandemic, demonstrating India's economic resilience and adaptability to global and domestic conditions.

### INDIAN ECONOMY: FROM THE POINT OF VIEW OF NBFC

The NBFC sector in India has undergone significant fluctuations to achieve its current status. The sector's scale of operations and its diverse financial intermediation activities attest to its adaptability and agility in evolving business models. This transformation reflects its ability to meet the evolving needs of a growing economy and navigate the changing regulatory landscape.

The year 2023 stood out as a landmark period of regulatory actions, with the RBI introducing measures to curtail the growth of unsecured lending, raising risk weights, and imposing stricter guidelines on lending practices. These changes, notably the increase in risk weights for unsecured loans and heightened supervision, have necessitated a strategic recalibration within the sector. NBFCs have been compelled to reassess their capital allocation strategies, navigate the complexities of capital raising in a cautious investment climate, and adapt to the evolving interest rate scenario amid geopolitical uncertainties.

The Reserve Bank of India is set to implement new IT governance directives from April 1, 2024, covering both banks and Non-Banking Financial Companies (NBFCs). These directives aim to comprehensively enhance IT practices across the financial sector. They mandate that NBFCs, alongside banks, adopt robust IT service management frameworks to bolster operational resilience, maintain data integrity, and strengthen cybersecurity measures. By extending these directives to NBFCs, the RBI seeks to standardize IT governance, risk management, and assurance practices across a broader range of financial entities. This initiative addresses strategic IT alignment, effective risk and resource management, as well as the implementation of robust cryptographic controls and audit trails. Overall, the RBI's actions underscore the importance of safeguarding financial operations against IT and cyber risks in today's increasingly digital financial landscape.

In 2024, the NBFC sector is poised to encounter a mixture of challenges and prospects for expansion. The push toward digital evolution, the exploration of inventive funding avenues, and a strategic concentration on sectors pivotal to economic advancement will shape the sector's path forward.

The sector's resilience and vitality will hinge significantly on robust risk management and governance frameworks, as well as its capacity to adeptly respond to regulatory adjustments. These factors will play pivotal roles in molding a resilient and dynamic NBFC landscape.

**FINANCIAL SERVICES INDUSTRY OVERVIEW AND DEVELOPMENTS**

India’s diverse financial sector is experiencing rapid growth, characterized by the robust expansion of existing financial service providers and the entry of new entities into the market. The sector encompasses a variety of institutions, including commercial banks, insurance companies, Non-Banking Financial Companies (NBFCs), cooperatives, pension funds, mutual funds, and other smaller financial entities.

The Government has implemented several policies and schemes aimed at fostering the growth of the financial services sector. Additionally, it has been actively driving and supporting the digital transformation in banking and payment systems. These efforts aim to enhance efficiency, streamline processes, and indirectly stimulate credit demand from banks and NBFCs.

**NON-BANKING FINANCIAL COMPANIES (NBFCs)**

Over the past two decades, NBFCs have evolved into a crucial component of India’s financial landscape, with exposure spanning both banking and capital markets. They have increasingly served as a vital source of credit for low-income households and businesses that lack collateral or a robust credit history required for traditional bank loans. Leveraging extensive branch networks, digitalization, and innovative solutions, NBFCs have expanded their reach among MSMEs and consumers, particularly in financing vehicles, housing, and gold purchases. Embracing technology and digital tools, NBFCs have significantly reduced transaction costs, accelerated loan disbursement processes, and utilized alternative data and methodologies to enhance risk assessment and underwriting practices. Some NBFCs have even surpassed many banks in size and performance, emerging as top performers in the stock market.

From September 2022 to September 2023, the NBFC sector experienced a notable increase in credit growth, with gross advances by NBFCs rising by 20.8%. This marks a substantial acceleration compared to the 10.8% growth observed the previous year. The surge was primarily driven by significant expansions in personal loans, which saw a growth of 32.5%, and lending to the agriculture industry, which grew by 43.7%. Over the past four years, personal loans have shown a compound annual growth rate (CAGR) of 33%, surpassing the overall credit growth CAGR of approximately 15%.

However, recent adjustments in risk weights for specific categories of retail loans are expected to influence the trajectory of credit growth in the NBFC sector. These adjustments will likely impact both the overall sector and specific sectors and sub-sectors within it.

In terms of market share, both the personal and agriculture sectors saw improvements. By the end of September 2023, the personal loan category’s share had increased by 2.3% compared to the previous year. Similarly, the share of loans to the agriculture sector within the overall NBFC portfolio grew to 1.9% in September 2023, up from 1.7% a year earlier.

**SECTORAL DEVELOPMENT OF CREDIT BY NBFC'S**



## KEY REASONS FOR GROWTH



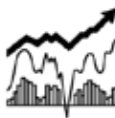
Deep demographic and addressable market understanding: With their operations in the unorganised and underdeveloped segments of the economy, NBFCs have created a niche for themselves by understanding what customers want from them and guaranteeing last-mile delivery of goods and services.



Tailored product offerings: NBFCs have adapted their product offering to meet the specific characteristics of a customer group and are focused on meeting appropriate needs by carefully analysing this target segment and customising pricing models.



Wider and effective reach: NBFCs are now reaching out to Tier 2, Tier 3 and Tier 4 markets, distributing the loan across several customer touchpoints. In addition, they are building a connected channel experience that provides a seamless experience of sales and service 24 hours a day, seven days a week.



Technology advancements and growing fintech ecosystem for improved efficiency and enhanced experience: The use of technology is helping NBFCs customise credit assessment.



Co-lending: RBI, in November 2020, issued co-lending norms that enable banks and NBFCs to collaborate for priority sector lending (PSL).



Government and central bank Initiatives: The Government of India also unveiled several initiatives aimed at addressing some of the structural issues stressing the small business lending segment. These include granting licenses to account aggregators, initiating the Pradhan Mantri Mudra Yojana (PMMY), launching UPI platforms, unveiling platforms such as TReDS, GeM and Open Network for Digital Commerce (ONDC) and implementing GST.

## KEY THEMES WHICH ARE DRIVING TECHNOLOGY IN THE NBFC SECTOR



**Emergence of super apps and partnerships:** Super apps are increasingly becoming onestop shops to address customer needs from an end-to-end perspective. While super apps are prevalent in the banking industry or e-commerce perspective, NBFCs will have a crucial role in terms of embedding their products and servicing customers through app-enabled journeys. The key to success lies in delivering seamless experiences, instant decision-making and superior customer satisfaction.



**Emergence of frictionless enabling platforms/protocols:** RBI's frictionless platform for credit enablement and OCEN are game changers in the financial services industry. These platforms will ease integration efforts and provide rich data sources that can be leveraged across the loan lifecycle.



**Adoption of digital-first and paperless journeys:** NBFCs are pivoting to digital-first and mobile-first journeys to ensure operational ease, better controls and superior customer experience.



**Increased adoption of analytics: Analytics has become crucial in the current business context with multiple use cases across the following:**

- Sourcing — Pre-approved databases to ensure faster sanctions and attractive offers for customers
- Customer lifetime value — Analytics to maximise customer lifetime value and ensure product suite penetration is optimised as well as partnerships are created to provide comprehensive offerings to customers as well as enable cross-/up-sell with a greater degree of success
- Credit decisioning — Credit decisioning has been revolutionised with financial and nonfinancial data sources, which has increased the accuracy of scorecards
- Portfolio monitoring — Accurate portfolio monitoring and evolved EWS leading to better Collections



**ABOUT COMFORT FINCAP LIMITED**

**BUSINESS OVERVIEW**

The Company was originally incorporated as Parasnath Textiles Limited (“PTL”) on November 12, 1982 under the Companies Act, 1956 in the State of West Bengal. Initially, the objects of the Company were to carry on the business of manufacturers and dealers in textiles, investment /trading in shares & securities. The Company was registered with Reserve Bank of India (“RBI”) as a NBFC on September 15, 1998 being Registration No. 05.02895 and started NBFC business. Thereafter, the Company’s name was changed from Parasnath Textiles Limited to Comfort Fincap Limited dated June 04, 2011.

The Comfort Fincap Limited (‘CFL’ or ‘the Company’) is a non-deposit taking Non-Banking Financial Company (“NBFC-ND”) registered with the RBI and is classified as an NBFC-Investment and Credit Company (NBFC-ICC). 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. The 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 provides financial services to commercial, industrial, and financial clients, offering a comprehensive range of financial solutions in one convenient package.



**LOAN AGAINST SECURITIES**

Your company specializes in loans against securities, allowing you to obtain credit by pledging assets such as equity shares and mutual fund units while retaining ownership. With this service, you can borrow capital against your financial investments, retaining all corporate benefits accrued on those securities. Interest is charged only on the amount utilized and for the duration it is borrowed.

**MARGIN FUNDING**



Margin finance trading allows investors to leverage a pre-approved list of securities, with a predefined haircut applied to determine the margin. This facility enables investors to raise funds to purchase additional securities without liquidating their long-term investments. Investors can either contribute a portion of the purchase amount upfront or pledge their approved securities as margin, while the remaining purchase amount is financed by an NBFC (Non-Banking Financial Company). Margin financing is often referred to as ‘gearing’ of the investment portfolio due to its ability to amplify investment opportunities.



**BILL DISCOUNTING**

Our company provides bill discounting services where we purchase bills of exchange or promissory notes before their maturity date and credit the discounted value to the customer’s account. This allows customers to receive immediate funds against their invoices. Bills eligible for discounting can be used to secure loans for up to around 90% of the invoiced amount.

**ESOP FINANCE**



Employees who hold Employee Stock Ownership Plans (ESOPs) from their employers and wish to exercise their options can obtain loans on competitive terms.

**LOAN**

**AGAINST PROPERTY/MORTGAGE LOAN**



A Loan Against Property enables you to leverage your assets whenever necessary to achieve your aspirations. At Comfort, we ensure quick access to affordable loans secured against your property, empowering you to pursue happiness without concerns.

**HOME IMPROVEMENT LOAN**



A home often mirrors its owner’s personality. Now, you can enhance your living space and turn renovations into a memorable milestone, just like buying a new home. With Comfort’s Home Improvement Loans, you can transform your current residence into a modern, comfortable living environment.



### PROMOTER FUNDING

Promoters of well-managed companies are offered a facility to raise funds against their stake in the operating company. These funds can be utilized for various purposes such as financing business growth, acquisitions, take-over financing, and meeting working capital requirements through Promoters Funding.

### IPO FINANCING



IPO Financing presents a lucrative opportunity to leverage funds in the primary markets. Our loans facilitate corporate entities and high net worth individuals to subscribe to equity IPOs. Simply invest the margin amount, and we will finance the remaining application balance. Typically, IPO financing loans have a tenor of 10-15 days.



### SWOT ANALYSIS

During the financial year 2023-24, our company successfully navigated market challenges by leveraging our strengths. We adopted new technologies and safeguarded our balance sheet.

#### STRENGTH

##### **Strong Relationships with Banks, Institutions, and Investors**

Having established strong relationships with public and private banks, institutions, and investors can provide access to funding, partnerships, and market insights.

##### **Clear and Scalable Organizational Structure**

An unambiguous and scalable organizational structure enables efficient decision-making, clear roles and responsibilities, and adaptability to growth and change.

##### **Diversification of Financial Services through Innovation**

Innovating and diversifying financial services can attract a broader customer base, enhance competitiveness, and capture new market opportunities.

##### **Experienced Senior Management Team**

A seasoned senior management team brings extensive industry knowledge, leadership skills, and strategic insights, driving organizational growth and stability.

#### WEAKNESS

##### **Dependency on Key Relationships**

Over-reliance on relationships with banks, institutions, or investors can pose risks if these relationships are disrupted or if there is a shift in market dynamics.

##### **Organizational Inertia**

A rigid organizational structure may hinder agility and responsiveness to market changes or customer needs, impacting innovation and competitiveness.

##### **Rising Interest Risk**

Vulnerability to rising interest rates can increase borrowing costs, affecting profitability and affordability of loans for customers.

## OPPORTUNITIES

### Expansion Potential

There is an opportunity to strategically expand operations to cover more geographies, tapping into new markets and increasing market share.

### Advertising Strategies

Implementing aggressive advertising strategies can enhance brand visibility, attract new customers, and strengthen market position.

### Technological Advancements

Embracing technological advancements such as fintech solutions or digital platforms can enhance service delivery, operational efficiency, and customer engagement.

## THREATS

### Competitive Pressure

Intense competition from traditional financial institutions, fintech startups, or global players can challenge market share and profitability.

### Regulatory Changes

Changes in regulatory requirements or compliance standards may impact operational processes, product offerings, and cost structures.

### Economic Volatility

Vulnerability to economic fluctuations, interest rate changes, inflation, and global economic conditions affecting borrower repayment capacity.



### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

- ✓ The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company is having an internal control system including suitable monitoring procedures commensurate with its size of operations;
- ✓ The Company has put in place an effective internal control system to synchronise its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance;
- ✓ The Internal control system is supplemented by Internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records;
- ✓ The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. The Internal Audit reports are periodically reviewed by the Audit Committee;
- ✓ Our Internal Auditor, M/s. AHSP & Co. LLP, Chartered Accountants, has certified that the Company maintains an adequate system of internal financial controls, evaluates and makes an assessment of its adequacy and effectiveness in a satisfactory manner which takes care of requirements under the Companies Act, 2013.

## FINANCIAL PERFORMANCE

The summary of Audited (Standalone and Consolidated) Financial performance of the Company, for the financial year ended March 31, 2024 is summarized as under:

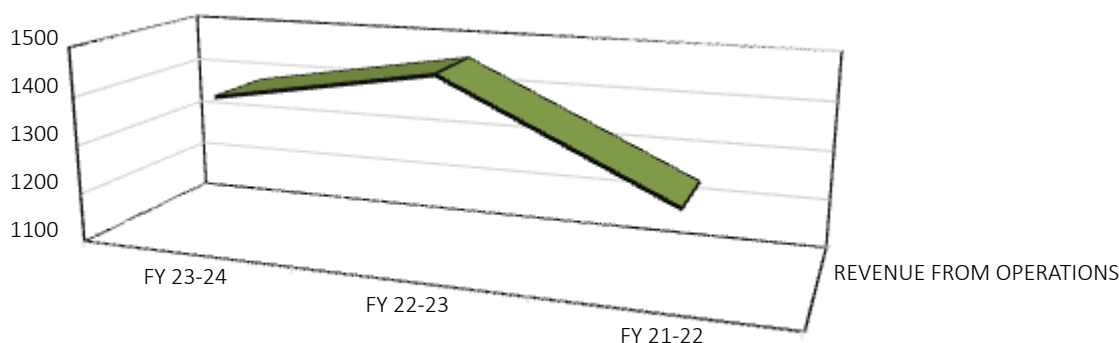
PARTICULARS	(Rs. in lakh, except EPS)			
	STANDALONE		CONSOLIDATED	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations	1,390.09	1,466.10	1,390.09	1,466.10
Operating Income	5.86	7.19	5.86	7.19
Total Revenue	1,395.95	1,473.28	1,395.95	1,473.28
Less: Total Expenditure	669.97	818.92	669.97	818.92
Profit before Tax	725.98	654.36	725.98	654.36
Less: Current Tax Expenses	153.15	168.75	153.15	168.75
Less: Deferred Tax	58.26	-0.82	58.26	-0.82
Less: Tax of earlier years	-0.05	0.81	-0.05	0.81
Add: Share of Profit/(Loss) of Associate	-	-	0.01	(0.00)
Profit for the year	514.62	485.62	514.63	485.62
Earnings Per Share (EPS) (Basic & Diluted)*	0.95	0.90	0.95	0.90

**\*Note:** Subsequent to quarter ended March 31, 2023, the equity shares of the Company were sub-divided such that each equity share having face value of Rs.10/- (Rupees Ten only) fully paid-up, was sub-divided into five (5) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up with effect from May 05, 2023 (Record Date). Therefore, the Earnings Per Share (EPS) for the financial year ended March 31, 2023 have been restated to give effect of the share split.

During the year under review, your Company's total revenue from operations on consolidated basis has been decreased to Rs. 1,390.09 lakh as compared to Rs. 1,466.10 lakh in the previous financial year. While, the net profit increased to Rs. 514.63 lakh as compared to Rs. 485.62 lakh in the previous financial year.

During the year under review, your Company's total revenue from operations on standalone basis has been decreased to Rs. 1,390.09 lakh as compared to Rs. 1,466.10 lakh in the previous financial year. While, the net profit increased to Rs. 514.62 lakh as compared to Rs. 485.62 lakh in the previous financial year.

### REVENUE FROM OPERATIONS



	FY 23-24	FY 22-23	FY 21-22
REVENUE FROM OPERATIONS	1,390.09	1,466.1	1,242.43

■ REVENUE FROM OPERATIONS

The management remains focused on enhancing the company's revenue by actively identifying and pursuing new opportunities.

The Board of Directors has decided reinvest the entirety of the profit back into the business. Accordingly, the Company has not transferred any amount to the general reserves during the financial year ended March 31, 2024. The closing balance of the retained earnings of the Company for financial year 2023-24, after all appropriation and adjustments was Rs. 4412.90 lakhs.

**HUMAN RESOURCES (HR)**

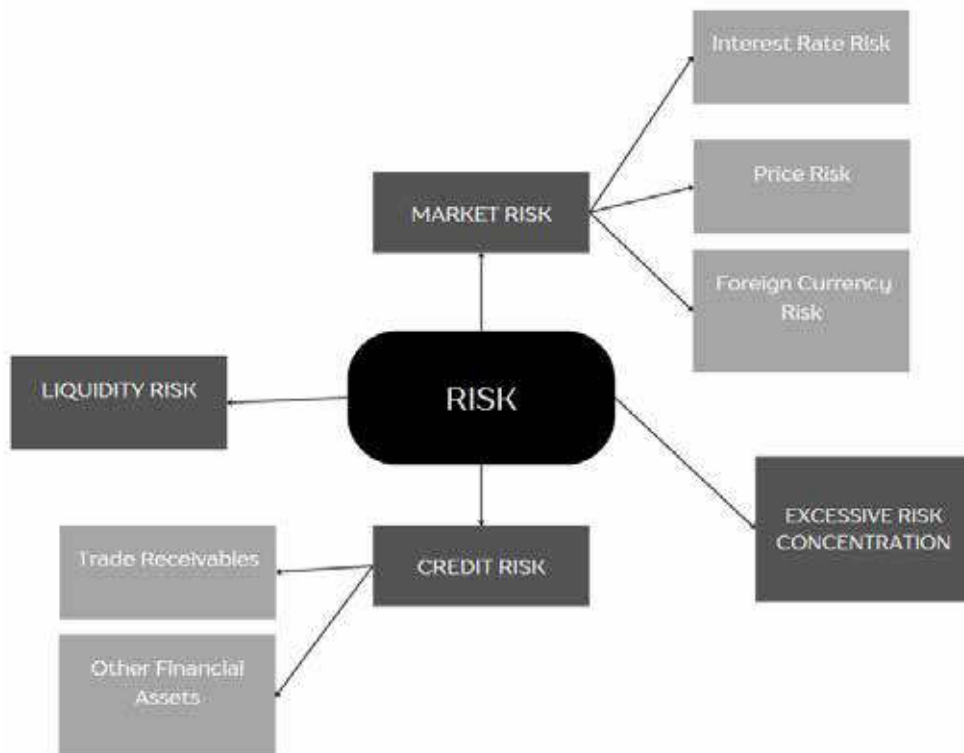
- ✓ As a financial service provider, people are the greatest assets and core strength to the Company's. As of March 31, 2024, your Company employed 09 employees. The Company has consistently been agile and has improved its human resource practices to match up to the dynamic workplace. The Company has very cordial and harmonious relationship with its employees.
- ✓ The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company.
- ✓ We have adopted people practices that enable us to attract and retain talent in an increasingly competitive market and to foster a work culture that is always committed to providing the best opportunities to employees to realize their potential. We are committed as an equal opportunity employer and employee, follow non-discrimination in all our practices.



**RISKS & CONCERNS**

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

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, technology risks, etc. The Company has a Risk Management Framework that involves risk identification, risk assessment and risk mitigation planning. It also includes the implementation of a programme to continually measure and assess the effectiveness of existing safeguards in protecting one's critical assets. Thus, managing risks is not a one-time activity; it's an ongoing process. It is also critical to recognize that certain business risks are unavoidable, and have to be dealt with as they arise. Your Company has directed its effort towards risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.



#### A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

- **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exists mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

- **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

- **Price Risk**

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

#### B. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

- **Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

- **Other Financial Assets**

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

#### C. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### D. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The company adopted a prudent approach to managing its cash position, maintaining a positive balance throughout the fiscal years ending March 31, 2023 and March 31, 2024. Cash generated from operating activities serves to cover daily financial obligations. Continuous monitoring of rolling forecasts ensures adequate cash reserves to meet ongoing operational needs. Any surplus cash beyond immediate working capital and operational requirements is held as cash equivalents as needed. Excess funds are invested in interest-bearing term deposits and other highly liquid debt instruments with appropriate maturities, aiming to optimize returns while ensuring liquidity meets financial obligations.

To manage liquidity effectively, the company evaluates the maturity profiles of its financial assets and liabilities. It strives to strike a balance between securing ongoing funding and maintaining financial flexibility. Surplus funds are typically invested in low-risk debt schemes offered by mutual funds, minimizing exposure to market fluctuations.

## OTHER RISKS

Due to rapid changes in the technologies, business dimensions and complexities, regulatory changes and environmental concerns, new and various types of risks have emerged. Financial firms are now increasingly focused on asset-liability risk. Asset-liability risk is a leveraged form of risk. So, in the era of fast changing global economy, multiplicity of legal compliances, cross border business transactions and to ensure the survival, viability and sustainability of business, the management of various types of risks have gained utmost importance

All such risks cannot be eradicated completely however can be controlled, mitigated and managed within the Company in order to balance risk and reward. Risk management is an important part of the Company's business strategy, and it is smoothly incorporated into all of the Company's activities. The aim of the Company's framework is to optimize the risk-return equation while also ensuring strict adherence to all current and upcoming laws, rules, and regulations that apply to all of the Company's business activities. Thus, managing risks is not a one-time activity; it's an ongoing process. The Company strives to cultivate a strong and disciplined risk management culture across all of its business operations and at all levels of the organization.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

## OUTLOOK

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

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

## DISCLOSURE OF ACCOUNTING TREATMENT

The Company has complied the prescribed accounting treatment while preparation of financial statements as per Accounting Standard, thus no disclosure is required to be made thereunder.

## CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements', within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, natural calamities over which the Company may not have any direct/indirect control.

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



## INDEPENDENT AUDITOR'S REPORT

To the Members,  
Comfort Fincap Limited

Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Comfort Fincap Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

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

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

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

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

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub section (11) of the section 143 of the Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial statements. Refer Note 28 to financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (a) and (iv) (b) contain any misstatement.
  - v. According to information and explanation given to us, the Company has not declared any dividend in terms of provision of section 123 of Companies Act, 2013.
  - vi. As stated in Note 44 to the Financial statements, and based on our examination which included test checks, except for instance mentioned below, the Company in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounts during such feature is enabled.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197 (16) of the Act:

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

**For A. R. Sodha & Co.**

Chartered Accountants  
FRN 110324W

Sd/-

**Dipesh Sangoi**

Partner

M No.124295

UDIN: 24124295BKDABQ6471

**Place:** Mumbai

**Date:** 25<sup>th</sup> April, 2024

**ANNEXURE A TO AUDITORS' REPORT**

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

1. a) (A) According to information and explanations given to us by the management and records furnished before us, the Company has generally maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
 

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

c & d) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. Refer note 33 to standalone financial statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations.

  - e) Since the principal business of the company is to give loans, reporting under clause 3(iii)(e) of Companies (Auditor's) Report Order, 2020 is not applicable.
  - f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has complied with the provisions of Section 185 and 186 with respect to the loans given to related parties .
5. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits within the meaning of section 73 to 76 from public during the year. Therefore, clause 3(v) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
6. According to the information and explanation given to us the Company is not required to maintain cost records as specified under section 148 sub-section (1) of the Companies Act, 2013. Therefore clause 3(vi) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

- b) a) According to the information and explanations given to us and records examined by us, Company is generally regular in depositing of undisputed statutory dues with respect to Income Tax, Tax Deducted at Source, Provident fund, Goods and Service Tax, etc.. There are no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- c) According to information and explanation given to us , there are no disputed statutory dues relating to Income Tax, Cess, Goods and Service Tax or any other statute except as stated below:

Name of statute	Nature of dues	Year(s) to which it pertains	Amount Not Paid (Rs. in Lacs)	Forum where dispute is pending
Income Tax Act,1961	Dividend Distribution Tax	AY 2016-17	5.61 Lakhs	Rectification Application filed with Assessing Officer
Income Tax Act,1961	Dividend Distribution Tax	AY 2017-18	5.48 Lakhs	Rectification Application filed with Assessing Officer
Income Tax Act,1961	Income Tax Demand	AY 2012-13	1.99 Lakhs	Pending with Pr. Commissioner of Income Tax for issue of Form 5 under Vivad se Vishwas Scheme
Income Tax Act,1961	Income Tax Demand	AY 2013-14	35.15 lakhs	Rectification filed with Commissioner of Income Tax
Income Tax Act,1961	Dividend Distribution Tax	AY 2013-14	18.74 lakhs	Rectification Application filed with Assessing Officer

7. According to information and explanation given to us and the records of the Company, the Company has not surrendered or disclosed any transactions previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.
8. (a) According to the information and explanation given to us and records examined by us, the Company has not defaulted in repayment of dues to any lender as at the Balance Sheet date.
- (b) According to the information and explanations given to us and the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and the records of the Company, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and the records of the Company, no funds raised on short term basis have been utilized for long-term purposes by the company.
- (e) According to the information and explanations given to us and the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(e) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- (f) According to the information and explanations given to us and the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its associates as defined under Companies Act, 2013. Accordingly, reporting under clause 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 is not applicable.
9. (a) According to information and explanation given to us by the management and records furnished before us, the company has not raised money by way of initial public offer or further public offer. Accordingly reporting under Clause 3(ix)(a) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- (b) According to information and explanation given to us by the management and records furnished before us, the Company has not made preferential allotment or private placement of shares or convertible debentures during the year. Accordingly reporting under Clause 3(ix)(b) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
10. (a) According to the information and explanations given to us and based on the examination of books and records of the Company, no fraud by the company or on the company has been noticed or reported during the course of the audit.
- (b) According to information and explanation given to us by the management and records furnished before us, no report under section 143(12) of Companies Act, 2013 has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies(Audit and Auditors) Rules, 2014 with central government.

- (c) According to information and explanation given to us by the management and records furnished before us, the Company has not received any whistle blower complaints during the year.
11. The Company is not a Nidhi Company hence reporting under clause 3(xii) of Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
12. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required to be disclosed under applicable Accounting Standard.
13. (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.  
(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
14. According to the information and explanation given to us, the company has not entered into any non-cash transaction with directors or persons connected with them. Therefore reporting under clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable.
15. (a) The Company is non-banking financial company and is registered under section 45-IA of the Reserve Bank of India Act, 1934.  
(b) According to the information and explanation given to us, the Company has not conducted any non-banking financial or housing finance activities without a valid certificate as per RBI Act, 1934. Accordingly, clause 3(xvi) (b) of the Companies (Auditor's Report) Order, 2020 is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, clause 3(xvi) (c) of the Companies (Auditor's Report) Order, 2020 is not applicable.  
(d) According to the information and explanation given to us, the group does not have any CIC. Accordingly, clause 3(xvi) (d) of the Companies (Auditor's Report) Order, 2020 is not applicable.
16. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
17. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the order Companies (Auditor's) Report Order, 2020 is not applicable.
18. According to the information and explanation given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
19. According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.

**For A. R. Sodha & Co.**

Chartered Accountants  
FRN 110324W

Sd/-

**Dipesh Sangoi**

Partner

M No.124295

UDIN: 24124295BKDABQ6471

Place: Mumbai

Date: 25<sup>th</sup> April, 2024

## **ANNEXURE B TO AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Comfort Fincap Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITORS' RESPONSIBILITY**

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

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **For A. R. Sodha & Co.**

Chartered Accountants  
FRN 110324W

#### **Dipesh Sangoi**

Partner  
M No.124295  
UDIN: 24124295BKDABQ6471

Place: Mumbai

Date: 25<sup>th</sup> April, 2024



**STANDALONE BALANCE SHEET** as at March 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	1.47	76.13
(b) Bank Balances other than Cash and cash equivalents	3	19.88	22.15
(c) Receivables			
i) Trade Receivables	4	0.74	5.46
ii) Other Receivables		-	-
(d) Loans	5	7,477.53	7,251.47
(e) Investments	6	611.75	396.88
(f) Other Financial assets (to be specified)			
		<b>8,111.36</b>	7,752.09
<b>(2) Non-Financial Assets</b>			
(a) Property, plant and equipment	7	66.71	2.19
(b) Investment Property	8	126.14	-
(c) Other non-financial assets	9	4.50	7.99
		<b>197.35</b>	10.18
<b>(3) Non Current Asset held for sale</b>	10	-	126.14
TOTAL ASSETS		<b>8,308.71</b>	7,888.41
<b>II LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
Trade payables due to			
Micro and Small Enterprises; and		-	-
Other than Micro and Small Enterprises	11	9.25	9.25
(b) Borrowings	12	2,606.59	2,761.44
(c) Other financial liabilities	13	54.09	34.39
		<b>2,669.93</b>	2,805.08
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	14	32.12	53.67
(b) Deferred tax liabilities (Net)	15	75.44	18.05
(c) Provisions	16	33.19	25.65
		<b>140.75</b>	97.37
<b>(3) EQUITY</b>			
(a) Equity Share capital	17	1,085.13	1,085.13
(b) Other Equity*		4,412.90	3,900.84
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,308.71</b>	7,888.41
<b>See accompanying notes to the financial statements</b>	1		

\* Refer Statement of changes in equity

As per our report of even date

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

 Sd/-  
**Dipesh Sangoi**  
 Partner  
 Membership No. : 124295  
 Mumbai, April 25, 2024

For and on behalf of the Board

 Sd/-  
**Ankur Agrawal**  
 Director  
 DIN : 06408167

 Sd/-  
**Nirmala Kanjar**  
 CFO

 Sd/-  
**Bharat Shiroya**  
 CEO

 Sd/-  
**Apeksha Kadam**  
 Director  
 DIN : 08878724

 Sd/-  
**Sneha Mandelia**  
 Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I Revenue from Operations</b>	18		
(a) Interest Income		1,160.23	1,425.76
(b) Dividend Income		1.99	1.17
(c) Net Gain on Fair Value Changes		214.87	14.54
(d) Sale of services		13.00	24.63
<b>Total Revenue from Operations</b>		<b>1,390.09</b>	1,466.10
<b>II Other Income</b>	19	<b>5.86</b>	7.19
<b>III Total Income (I + II)</b>		<b>1,395.95</b>	1,473.28
<b>IV Expenses</b>			
(a) Finance Costs	20	267.14	501.58
(b) Fees and commission expense	21	32.58	50.77
(c) Impairment on financial instruments	22	42.18	(10.07)
(d) Employee Benefit Expenses	23	171.23	133.65
(e) Depreciation and Amortization Expense	7	5.08	0.22
(f) Other Expenses	24	151.76	142.78
<b>Total Expense</b>		<b>669.97</b>	818.92
<b>V Profit / (loss) before exceptional items and tax (III-IV)</b>		<b>725.98</b>	654.36
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>725.98</b>	654.36
<b>VIII Tax Expense:</b>			
(a) Current Tax		153.15	168.75
(b) Tax of earlier year		(0.05)	0.81
(c) Deferred Tax		58.26	(0.82)
		<b>211.36</b>	168.74
<b>IX Profit (Loss) for the period (VII-VIII)</b>		<b>514.62</b>	485.62
<b>X Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plan- gain/(loss)		(3.42)	0.74
(ii) Tax impact on above		0.86	(0.19)
		<b>(2.56)</b>	0.56
<b>Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>512.06</b>	486.18
<b>XII Earnings Per Equity Share (Face Value Rs. 2/- Per Share)</b>			
Basic (Rs.)	25	<b>0.95</b>	0.90
<b>See accompanying notes to the financial statements</b>	1		

As per our report of even date  
For **A R Sodha & Co.**  
Chartered Accountants  
Firm Reg. No.: 110324W

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary

**STANDALONE CASH FLOW STATEMENT** for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax for the year		<b>725.98</b>		654.36
<b>Adjustments for:</b>				
Interest Paid		<b>267.14</b>		501.58
Provision for Gratuity		<b>(3.42)</b>		0.74
Depreciation		<b>5.08</b>		0.22
Change in Fair Value of Current Investments		<b>(214.87)</b>		(14.54)
Impairment on Financial Instruments		<b>42.18</b>	<b>96.11</b>	(10.07)
<b>Operating Profit before Working Capital change</b>		<b>822.09</b>		1,132.29
<b>Adjustments for:</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories				
Trade receivables		<b>4.72</b>		(5.46)
Loans		<b>(268.24)</b>		1,793.42
Other financial assets		-		-
In Bank Balance other than Cash and Cash Equivalents		<b>2.27</b>		(22.15)
Other non-financial assets		<b>3.49</b>	<b>(257.76)</b>	(25.55)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables		-		-
Other financial liabilities		<b>19.70</b>		(32.77)
Short-term provisions		<b>7.54</b>		2.74
Long-term provisions		-	<b>27.24</b>	(30.02)
<b>Cash Generated From Operations</b>		<b>591.57</b>		2,842.53
Income Tax paid		<b>174.65</b>		142.07
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>		<b>416.92</b>		2,700.46
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments (Purchased)/Sold		-		-
Property, Plant & Equipments (Purchased)/Sold		<b>(69.59)</b>	<b>(69.59)</b>	(1.12)
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>		<b>(69.59)</b>		(1.12)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Capital				
Dividend Paid		-		-
Loan taken / (Repaid) in Secured Loan		<b>(154.85)</b>		(2,345.87)
Interest paid		<b>(267.14)</b>		(501.58)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>		<b>(421.99)</b>		(2,847.45)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>		<b>(74.67)</b>		(148.11)
Cash and Cash Equivalents-- Opening Balance		<b>76.13</b>		224.25
Cash and Cash Equivalents-- Closing Balance		<b>1.47</b>		76.13
Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.				

As per our report of even date attached

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

 Sd/-  
**Dipesh Sangoi**  
 Partner  
 Membership No. : 124295  
 Mumbai, April 25, 2024

For and on behalf of the Board

 Sd/-  
**Ankur Agrawal**  
 Director  
 DIN : 06408167

 Sd/-  
**Nirmala Kanjar**  
 CFO

 Sd/-  
**Bharat Shiroya**  
 CEO

 Sd/-  
**Apeksha Kadam**  
 Director  
 DIN : 08878724

 Sd/-  
**Sneha Mandelia**  
 Company Secretary

## STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2024

### A. EQUITY SHARE CAPITAL

Particulars	(Rs. in Lakhs)
	Amount(₹)
As at 1 April, 2022	1,085.13
Changes in equity share capital	-
As at 31 March, 2023	1,085.13
Changes in equity share capital	-
As at 31 March, 2024	1,085.13

### B. OTHER EQUITY

Particulars	Other Equity				Total other Equity
	Reserve and Surplus			Other Comprehensive Income	
	Share Premium	Special Reserve	Retained Earnings		
<b>As at April 01, 2022</b>	<b>809.20</b>	<b>504.64</b>	<b>2,117.02</b>	<b>(16.19)</b>	<b>3,414.67</b>
Total Comprehensive Income for the year	-	-	485.62	0.56	486.18
Transfer from Profit and Loss	-	97.12	-	-	97.12
Transfer to Special Reserve	-	-	(97.12)	-	(97.12)
<b>As at March 31, 2023</b>	<b>809.20</b>	<b>601.76</b>	<b>2,505.52</b>	<b>(15.64)</b>	<b>3,900.84</b>
Total Comprehensive Income for the year	-	-	514.62	(2.56)	512.06
Transfer from Profit and Loss	-	102.92	-	-	102.92
Transfer to Special Reserve	-	-	(102.92)	-	(102.92)
<b>As at March 31, 2024</b>	<b>809.20</b>	<b>704.68</b>	<b>2,917.22</b>	<b>(18.20)</b>	<b>4,412.90</b>

As per our report of even date

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

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 1 - CORPORATE INFORMATION

Comfort Fincap Limited (“the company” or “CFL”) is public company domiciled in India, with its registered office situated at Premises No. 22, Camac Street, Kolkata – 700016 and the corporate office situated at A/301, Hetal Arch, S.V. Road, Malad West, Mumbai – 400 064. The company has been incorporated under provision of Companies Act and its equity is listed on the Bombay Stock Exchange (BSE) in India. The Company is a Non-banking Finance Company (NBFC), which is primarily focused in providing, inter corporate loans, personal loans, loans against shares & securities, loans against properties, Mortgage Loans, Home Loans, trade financing, bills discounting. Being an NBFC, the Company has positioned itself between the organized banking sector and local money lenders, offering the customers competitive, flexible and timely lending services.

As per the master direction issued by Reserve Bank of India (“RBI”): RBI/DOR/2023-24/106, dated 19 October 2023 (“the guidelines”), since the asset size of the company is less than Rs.1000 crores, the Company is classified as Base Layer Non-Banking Financial Company.

### MATERIAL ACCOUNTING POLICIES:

#### A. Basis of Preparation:

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

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

#### B. Presentation of financial statements

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

#### C. Critical Accounting Estimates and Judgments

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

#### D. Revenue Recognition:

##### i) Interest Income

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

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets the Company recognises interest income as per the management’s estimates of its recoverability. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

##### ii) Dividend Income

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

#### Other Revenue from Operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 ‘Financial Instruments’ is applicable) based on a comprehensive assessment model as set out in Ind AS 115 ‘Revenue from contracts with

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

### a) Net gain on fair value changes

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

### b) Recoveries of financial assets written off

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

## E. Property, Plant and Equipment:

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

Sr. No.	Category	Estimated Useful life
1	Motor Vehicle	10 years
2	Air Condition	10 years
3	Computer and it peripherals	3 Years

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

## F. Investment Property

Investment properties are properties (including those under construction) held to earn rentals and / or capital appreciation are classified as investment property and are measured and reported at cost including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

## G. Impairment of Non-financial assets

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

## H. Non-current assets held for sale :

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

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

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### I. Employee Benefits :

- a) **Defined Contribution Plan:** Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.
- b) **Defined Benefit Plan:** The Company provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
- c) **Leave entitlement:** Leave encashment payments are accounted for on accrual basis and is treated as short-term employee benefit.
- d) **Short-term benefits:** Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

### J. Financial instruments:

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

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

#### i) Financial Assets

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

##### a. Initial recognition and measurement

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

##### b. Subsequent Measurement

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

##### 1. Debt instruments at amortised cost (AC)

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

##### 2. Equity Instruments at FVTPL

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

##### 3. Equity investments designated under FVOCI

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



## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

### c. Derecognition of Financial Assets

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

### d. Impairment of Financial Assets

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

Expected Credit Loss is recognized and measured as per the Asset Provisioning norms prescribed by the Reserve Bank of India or as per Company's assessment, at the end of each reporting period, of increase/decrease in credit risk at borrower level and accordingly the Company recognizes a financial asset to be credit impaired by considering relevant objective evidence, primarily whether:

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

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to remain credit impaired until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be removed from the credit impaired category and a fresh assessment of the risk of default be done for such loans.

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

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

## ii) Financial Liabilities

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

### a. Initial Measurement

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

### b. Subsequent Measurement

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

### c. Derecognition

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

## iii) Offsetting of Financial Instruments

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

## iv) Investment in subsidiaries and associates

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

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

### K. Leases

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

#### Company as a lessee

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

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

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

#### i) Right-of-use assets

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

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

#### ii) Lease Liabilities

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

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

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

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

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

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### L. Borrowing Costs:

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

### M. Taxation

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI

#### Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

#### Deferred Tax

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.

### N. Earnings per share

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

### O. Provisions and Contingent Liabilities

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

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

### P. Fair Value Measurement

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

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 26 and note no. 27.

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**NOTE 2 - CASH & CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cash &amp; Cash Equivalents</b>		
(a) Balances with Banks :		
- Current Accounts	0.31	75.31
- Deposits	-	-
	0.31	75.31
(b) Cash-in-hand	1.16	0.82
<b>TOTAL</b>	<b>1.47</b>	<b>76.13</b>

**NOTE 3 - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposit (Encumbered- lien marked against OD facility)	10.00	10.00
Escrow Account Balance	0.26	0.20
Earmarked balance with bank		
- against unclaimed dividend	9.62	11.95
<b>TOTAL</b>	<b>19.88</b>	<b>22.15</b>

**NOTE 4 - TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>		
Undisputed Trade receivables*	0.74	5.46
Disputed Trade receivables	-	-
<b>TOTAL</b>	<b>0.74</b>	<b>5.46</b>

\*Refer note no. 31 for Trade receivable ageing schedule

**NOTE 5 - LOANS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At amortised cost</b>		
i) Advances Considered good & in respect of which Company is fully secured	6,782.05	6,945.01
Less: Impairment loss allowance	(27.19)	(27.80)
	6,754.86	6,917.20
ii) Advances Considered good for which Company holds no Security other than personal security	615.06	195.04
Less: Impairment loss allowance	(2.46)	(0.78)
	612.60	194.26
iii) Sub-Standard Advances in respect of which Company is;		
Un-Secured	11.19	-
Less: Impairment loss allowance	(1.12)	-
	10.07	-
iv) Doubtful Advances in respect of which Company is;		
Secured	200.00	200.00
Un-Secured	50.00	50.00
Less: Impairment loss allowance	(150.00)	(110.00)
	100.00	140.00
<b>TOTAL</b>	<b>7,477.53</b>	<b>7,251.47</b>

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

(Rs. in Lakhs)

Particulars	Amount Outstanding as at March 31, 2024	Percentage to the total loans and advances in the nature of loans	Amount Outstanding as at March 31, 2023	Percentage to the total loans and advances in the nature of loans
<b>a) Amounts repayable on demand</b>				
Promoters	-	-	-	-
Directors	-	-	-	-
Key managerial personnel	-	-	-	-
Other related parties	3,219.83	0.42	2,519.67	0.34

### NOTE 6 - INVESTMENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At Fair Value through Profit and Loss Account</b>		
In Equity Instruments	365.75	150.88
<b>At Cost</b>		
<u>In Equity Shares of Associate Companies- Unquoted Fully paid-up</u> 2,20,000 (March 2023 - 2,20,000) Equity Shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)	220.00	220.00
<u>In Equity Shares of Other Companies- Unquoted Fully paid-up</u> 2,00,000 (March 2023 - 2,00,000) Equity Shares of Liquors India Limited (F.V. Rs. 10/- each)	26.00	26.00
<b>TOTAL</b>	<b>611.75</b>	<b>396.88</b>

### NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Tangible assets	Gross block			Accumulated depreciation and impairment				Net block		
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation / amortisation expense for the year	Other adjustments	Balance as at March 31, 2024	Balance as at March 31, 2024	Balance as at March 31, 2023
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Computer	1.12	-	-	1.12	-	0.37	-	0.37	0.75	1.12
Air Condition	2.23	-	-	2.23	1.16	0.22	-	1.38	0.85	1.07
Motor Vehicle	-	69.59	-	69.59	-	4.48	-	4.48	65.11	-
<b>Total</b>	<b>3.35</b>	<b>69.59</b>	<b>-</b>	<b>72.94</b>	<b>1.16</b>	<b>5.08</b>	<b>-</b>	<b>6.24</b>	<b>66.71</b>	<b>2.19</b>
Previous year	2.23	1.12	-	3.35	0.93	0.22	-	1.16	2.19	1.30

### NOTE 8 - INVESTMENT IN PROPERTY

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property	126.14	-
<b>TOTAL</b>	<b>126.14</b>	<b>-</b>

\* The asset which was, in an earlier years, classified under Assets held for Sale has been re-classified under Investment Property and depreciation on this asset has not been charged since the property is under construction.

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**NOTE 9 - OTHER NON-FINANCIAL ASSETS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Prepaid Expenses	0.86	-
(b) Other Advances	3.25	7.67
(c) GST Credit	-	0.32
(d) TDS deposit with Exchange	0.40	-
<b>TOTAL</b>	<b>4.50</b>	<b>7.99</b>

**NOTE 10 - NON CURRENT ASSET**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Asset held for sale*	-	126.14
<b>TOTAL</b>	<b>-</b>	<b>126.14</b>

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

**NOTE 11 - TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables	9.25	9.25
<b>TOTAL</b>	<b>9.25</b>	<b>9.25</b>

\*Refer note no. 34 for Trade payables ageing schedule

**NOTE 12 - BORROWINGS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At Amortised Cost</b>		
(a) Loans repayable on demand		
From banks		
Secured*	197.08	219.90
Unsecured	-	-
	197.08	219.90
* Secured loans are lien on FDR kept with bank. The interest rate on this facility is FD Interest Rate+1%		
(b) Loans and advances from Others		
Secured**	2,409.51	1,736.08
Unsecured	-	805.46
	2,409.51	2,541.54
** Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 9.25% to 12.00%.		
<b>TOTAL</b>	<b>2,606.59</b>	<b>2,761.44</b>

**NOTE 13 - OTHER FINANCIAL LIABILITIES**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Payables	44.47	22.43
Un-paid Dividend	9.62	11.95
<b>TOTAL</b>	<b>54.09</b>	<b>34.39</b>

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 14 - CURRENT TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (net of Advance tax & TDS)	32.12	53.67
<b>TOTAL</b>	<b>32.12</b>	<b>53.67</b>

\*Refer note no. 32

### NOTE 15 - DEFERRED TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities/(Assets) relates to the following		
Depreciation and amortisation	1.19	(0.37)
Gratuity	(8.35)	(6.46)
Unrealised net gain on fair value changes	82.61	24.87
	75.44	18.05
<b>TOTAL</b>	<b>75.44</b>	<b>18.05</b>

\*Refer note no. 32

### NOTE 16 - PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
- Gratuity	33.19	25.65
<b>TOTAL</b>	<b>33.19</b>	<b>25.65</b>

Refer note 29

### NOTE 17 - EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised :</b>		
7,50,00,000 Equity Shares (Previous Year 7,50,00,000) of Rs. 2/- each	1,500.00	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued and Subscribed :</b>		
5,42,56,500 Equity Shares (Previous Year 5,42,56,500) of Rs. 2/- each	1,085.13	1,085.13
<b>TOTAL</b>	<b>1,085.13</b>	<b>1,085.13</b>
<b>Subscribed and Paid-up :</b>		
5,42,56,500 Equity Shares (Previous Year 5,42,56,500) of Rs. 2/- each	1,085.13	1,085.13
<b>TOTAL</b>	<b>1,085.13</b>	<b>1,085.13</b>

Notes:-

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

(In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Number of shares at the beginning of the year</b>	542.57	542.57
<b>Add: Issue of Shares during the year</b>		
Number of shares allotted as fully paid-up during the year	-	-
	-	-
<b>No. of shares at the end of the year</b>	<b>542.57</b>	<b>542.57</b>

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**(b) Terms/rights attached to equity shares.**

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

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

No. of Shares held by	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (in Lakhs)	%	No. of Shares (in Lakhs)	%
Luharuka Commotrade Pvt Ltd	211.16	38.92	211.16	38.92
Anil Agarwal HUF	58.20	10.73	58.20	10.73
Luharuka Sales & Service Private Limited	35.51	6.54	29.53	5.44

**(d) Details of Shares in the company held by each promoter as at the end of the year at March 31, 2024**

Promoters Name	As at March 31, 2024		% Change during the Year
	No. of Shares (in Lakhs)	%	
Anil Agrawal HUF	58.20	10.73	0
Luharuka Sales & Services Private Limited	35.51	6.54	1.1
Luharuka Commotrade Private Limited	211.16	38.92	0

**Details of Shares in the company held by each promoter as at the end of the year at March 31, 2023**

Promoters Name	As at March 31, 2023		% Change during the Year
	No. of Shares (in Lakhs)	%	
Anil Agrawal HUF	58.20	10.73	0
Luharuka Sales & Services Private Limited	29.53	5.44	0.46
Luharuka Commotrade Private Limited	211.16	38.92	0

**NOTE 18 - REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest Income		
From Loans & Advances	1,160.23	1,425.76
(b) Dividend Income	1.99	1.17
(c) Net Gain on Fair Value Changes		
Profit/(loss) from Sale of Equity Instruments held for trading	-	-
Change in Fair Value of Equity Instruments held for trading	214.87	14.54
	214.87	14.54
(d) Sale of Services		
Financial Advisory & Consultancy	13.00	24.63
<b>TOTAL</b>	<b>1,390.09</b>	<b>1,466.10</b>



## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 19 - OTHER INCOME

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Misc. income	0.20	1.67
Interest from Term deposits	0.65	0.52
Recovery of Written of Financial Assets	5.00	5.00
<b>TOTAL</b>	<b>5.86</b>	<b>7.19</b>

### NOTE 20 - FINANCIAL COSTS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	267.14	501.58
<b>TOTAL</b>	<b>267.14</b>	<b>501.58</b>

### NOTE 21 - FEES AND COMMISSION EXPENSE

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission Expenses	32.58	50.77
<b>TOTAL</b>	<b>32.58</b>	<b>50.77</b>

### NOTE 22 - IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Loans- at amortised cost	42.18	(10.07)
<b>TOTAL</b>	<b>42.18</b>	<b>(10.07)</b>

### NOTE 23 - EMPLOYMENT BENEFIT EXPENSES

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries , Bonus & Allowances	156.84	117.80
PF Expenses	0.96	1.15
Staff Insurance Expenses	1.08	0.99
Staff Welfare Expenses	8.24	10.23
Gratuity Expense	4.11	3.48
<b>TOTAL</b>	<b>171.23</b>	<b>133.65</b>

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

## NOTE 24 - OTHER EXPENSES

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement Expenses	1.36	2.18
Annual Listing fees	3.92	4.70
Bad-Debts / loans w/off	1.62	36.72
Business promotion expenses	31.68	8.80
Expense towards Corporate Social Responsibility	12.25	9.02
Custodial Fees	1.09	1.09
Director's Sitting Fees	3.71	3.82
Insurance Expenses	1.79	0.04
Legal, Professional & Technical Charges	22.66	22.60
Miscellaneous Expenses	14.95	10.05
Penalty Expenses	-	1.65
Printing, Postage & Stationery Expenses	2.06	2.22
Professional Tax	0.21	0.03
Payments to Auditors :		
- Audit & Tax Audit fees	3.60	3.57
- For Other Services	-	3.57
Travelling & Conveyance Expenses	26.19	26.96
Telephone Expenses	2.66	1.65
Repairs & Maintenance Expenses	3.51	1.62
Rent Expenses	6.00	6.00
Share Trading Expense	-	0.06
Settlement Compensation paid	12.50	-
<b>TOTAL</b>	<b>151.76</b>	<b>142.78</b>

## NOTE 25 - EARNINGS PER EQUITY SHARE

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a)</b> Net profit after tax attributable to equity shareholders for		
Basic EPS	514.62	485.62
Add/Less: Adjustment relating to potential equity shares	-	485.62
Net profit after tax attributable to equity shareholders for	514.62	485.62
Diluted EPS		
<b>(b)</b> Weighted average no. of equity shares outstanding during the year		
For Basic EPS	542.57	542.57
<b>(c)</b> Face Value per Equity Share (Rs.)	2.00	2.00
Basic EPS	0.95	0.90

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 26 - FAIR VALUE

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

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

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

#### Valuation Framework

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

The Group's valuation framework includes:

Benchmarking prices against observable market prices or other independent sources;

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

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

#### Valuation Framework

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

Fair values of Investments held for trading under FVTPL have been determined under level 1 (refer note no. 27) using quoted market prices of the underlying instruments;

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

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

### NOTE 27 - FAIR VALUE HIERARCHY

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

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

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

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

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2024

(Rs. in Lakhs)

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2024	365.75	-	-	365.75
Equity instrument classified under FVOCI	31-03-2024	-	-	-	-

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2023

(Rs. in Lakhs)

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2023	150.88	-	-	150.88
Equity instrument classified under FVOCI	31-03-2023	-	-	-	-

Fair Value of Financial Instruments not measured at fair value as at March 31, 2024

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
Cash and cash equivalents	1.47	1.47	-	-	1.47
Bank Balances other than Cash and cash equivalents	19.88	19.88	-	-	19.88
Receivables					
i) Trade Receivables	0.74	-	-	0.74	0.74
ii) Other Receivables	-	-	-	-	-
Loans	7,477.53	-	-	7,477.53	7,477.53
Investments	246.00	-	-	246.00	246.00
Other Financial assets (to be specified)	-	-	-	-	-
<b>Financial Liabilities</b>					
Payables					
Trade payables due to					
Micro and Small Enterprises; and	-	-	-	-	-
Other than Micro and Small Enterprises	9.25	-	-	9.25	9.25
Borrowings	2,606.59	-	-	2,606.59	2,606.59
Other financial liabilities	54.09	-	-	54.09	54.09

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Fair Value of Financial Instruments not measured at fair value as at March 31, 2023

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
Cash and cash equivalents	76.13	76.13	-	-	76.13
Bank Balances other than Cash and cash equivalents	22.15	22.15	-	-	22.15
Receivables					
i) Trade Receivables	5.46	-	-	5.46	5.46
ii) Other Receivables	-	-	-	-	-
Loans	7,251.47	-	-	7,251.47	7,251.47
Investments	246.00	-	-	246.00	246.00
Other Financial assets (to be specified)	-	-	-	-	-
<b>Financial Liabilities</b>					
Payables					
Trade payables due to					
Micro and Small Enterprises; and	-	-	-	-	-
Other than Micro and Small Enterprises	9.25	-	-	9.25	9.25
Borrowings	2,761.44	-	-	2,761.44	2,761.44
Other financial liabilities	34.39	-	-	34.39	34.39

### NOTE 28 - CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
i) Contingent Liabilities		
a) Income Tax demand * (Appeal/rectification has been filed against the order)	35.15	6.23
ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account	-	-

\*In addition to the above there is a demand of Rs.18.75/- (Lakhs) , Rs. 5.61/- (Lakhs) & Rs. 5.48/- (Lakhs) for AY 2013-14 AY 2016-17and AY 2017-18 respectively u/s 1150 in respect of DDT for which company had already discharge the DDT liability and filed the offline manual submission to the AO and also online response raised under grievance for rectification of same.

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**NOTE 29 - EMPLOYEE RETIREMENT BENEFITS:**

To comply with the requirement of Ind AS 19 Employee Benefits company has changed its accounting policy with respect to Defined Benefit Plan in the nature of Gratuity and has obtained the Actuarial Valuation report from Actuary. In accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, the effect of the change has been given retrospectively in all the period presented. The details of effects on account of change in policy in the previously reported period is as follow:

(Rs. In Lakhs)

Particulars	2022-2023	2021-2022
Previously Reported Profit After Tax	488.23	
Effect of Gratuity Provision	-3.49	
Tax Effect of Above (Deferred Tax)	0.88	
<b>Current Reported Profit After Tax</b>	<b>485.62</b>	
Previously Reported OCI	-	
Effect of Remeasurements of the defined benefit plans (Gain/Loss)	0.74	
Tax Effect of Above (Deferred Tax)	-0.19	
<b>Current Reported OCI</b>	<b>0.55</b>	
Previously Reported Other Equity	3,920.04	3,431.81
Total Effect of Gratuity Provision	-25.65	-22.91
Tax Effect of Above (Deferred Tax)	6.45	5.77
<b>Currently Reported Other Equity</b>	<b>3,900.84</b>	<b>3,414.67</b>
Previously Reported Provisions	-	-
Total Effect of Gratuity Provision	25.65	22.91
<b>Currently Reported Provisions</b>	<b>25.65</b>	<b>22.91</b>

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

**i. Expenses Recognized in the Statement of Profit & loss**

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Current Service Cost	2.21	1.90
Net interest Cost	1.90	1.58
Past Service Cost-recognized	-	-
<b>Expenses Recognized in the Statement of Profit &amp; loss</b>	<b>4.11</b>	<b>3.48</b>

**ii. Expenses Recognized in Other Comprehensive Income**

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Actuarial (Gains)/Losses on Obligation For the Period	3.42	(0.74)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Expenses Recognized in Other Comprehensive Income</b>	<b>3.42</b>	<b>(0.74)</b>

**iii. Net Liability/(Asset) Recognized in the Balance Sheet**

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Current Liability	3.10	2.41
Non-Current Liability	30.08	23.24
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>33.18</b>	<b>25.65</b>

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### Actuarial assumptions

Particulars	2023-2024	2022-2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.19%	7.39%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	10.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The Company has a defined benefit gratuity plan in India (unfunded). The Company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from Company as and when it becomes due and is paid as per Company scheme for Gratuity.

**Risks associated with defined benefit plan:** Gratuity is a defined benefit plan and entity is exposed to the following Risks

- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.
- Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.
- Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### Characteristics of defined benefit plans:

- During the year, there were no plan amendments, curtailments and settlements.
- Gratuity plan is unfunded.

### NOTE 30 - FOREIGN CURRENCY TRANSACTIONS:

The unhedged foreign currency exposure as on March 31, 2024 is Rs. Nil (Previous year Rs. Nil).

Foreign Exchange earnings- Nil (Nil)

Foreign Exchange outgo- Nil (Nil)

### NOTE 31 - TRADE RECEIVABLES AGEING SCHEDULE

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- Considered good	-	-	0.74	-	-	0.74
(ii) Undisputed Trade receivables - which have significant increase in risk	-	(5.46)	-	-	-	(5.46)
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-
<b>Total</b>	-	-	<b>0.74</b>	-	-	<b>0.74</b>
	-	<b>(5.46)</b>	-	-	-	<b>(5.46)</b>

Figure in bracket relates to previous year.

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**NOTE 32 - CURRENT INCOME TAX LIABILITIES (NET) :**
**i. Component of Income Tax Expense**

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
<b>Tax Expense in Profit and Loss</b>		
Current Year Tax	153.15	168.75
Adjustment related to Previous Years	(0.05)	0.81
<b>(A)</b>	<b>153.10</b>	<b>169.56</b>
Current Year Deferred Tax	58.26	(0.82)
Adjustment related to Previous Years	-	-
<b>(B)</b>	<b>58.26</b>	<b>(0.82)</b>
<b>Total (A+B)</b>	<b>211.36</b>	<b>168.74</b>
<b>Tax Expense in Other Comprehensive Income</b>		
Gain/(Loss) on re-measurement of net benefit plan	0.86	(0.19)
<b>Total</b>	<b>0.86</b>	<b>(0.19)</b>

- ii. Reconciliation of Effective Tax Rate: The reconciliation between the statutory income tax rates applicable to the Company and the effective income tax rate of the Company is as follows:

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Statutory Income Tax Rate	25.17%	25.17%
Tax Amount at Statutory Tax Rate	182.71	164.69
Corporate Social Responsibility	3.08	2.27
Stock Adjustment	3.66	(3.66)
Provision for advances	17.71	-
Others	-	0.42
Interest on Income Tax	4.24	4.21
Tax adjustment of PY	(0.05)	0.81
<b>Tax at effective Rate</b>	<b>211.36</b>	<b>168.74</b>
<b>Effective Tax Rate</b>	<b>29.11%</b>	<b>25.79%</b>

**Deferred Tax Liabilities (net)**

(Rs. in Lakhs)

Particulars	Difference between book base and tax base of PPE	Expenses allowable on payment basis	Changes in Fair Value	Net deferred tax Liabilities/(assets)
<b>As at April 01, 2022</b>	<b>(0.42)</b>	<b>(5.77)</b>	<b>24.87</b>	<b>18.68</b>
Charged / (credited)				
- to profit or loss	0.06	(0.88)	-	(0.82)
- to other comprehensive income	-	0.19	-	0.19
<b>As at March 31, 2023</b>	<b>(0.37)</b>	<b>(6.46)</b>	<b>24.87</b>	<b>18.05</b>
Charged / (credited)				
- to profit or loss	1.56	(1.04)	57.74	58.26
- to other comprehensive income	-	(0.86)	-	(0.86)
<b>As at March 31, 2024</b>	<b>1.19</b>	<b>(8.35)</b>	<b>82.61</b>	<b>75.44</b>



## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 33 - LOANS GIVEN:

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

Particulars	(Rs. in Lakhs)	
	2023-2024	2022-2023
Secured against Immovable Property	336.98	340.28
Secured against Shares	6,159.28	6,368.44
Secured against Trade Receivables	485.79	436.29

- b. In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company is equal to the total provision required under IRACP (including standard asset provisioning), as at March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.
- c. The below table depicts classification of Overdue loans outstanding as on March 31, 2024.

Sr. No.	Type of Assets	Overdue Account Count	(Rs. in Lakhs)	
			Principle Overdue Amount	Interest Overdue Amount
1	Standard Asset	1	-	5.63
		3	-	(51.68)
2	Sub Standard Asset	1	6.37	4.81
		-	-	-
3	Doubtful Asset	2	250.00	115.34
		2	(250.00)	(82.84)

### NOTE 34 - TRADE PAYABLES AGEING SCHEDULE

Particulars	(Rs. in Lakhs)				Total
	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	-	-	9.25	-	9.25
	-	-	(9.25)	-	(9.25)
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	-	<b>9.25</b>	-	<b>9.25</b>
	-	-	<b>(9.25)</b>	-	<b>(9.25)</b>

Figure in bracket relates to previous year.

**NOTE 35** - There are no dues to Micro and Small Enterprises as at March 31, 2024. 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.

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**Note 36** - Corporate Social Responsibility :- As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society, at large. The Company's CSR activity primarily focuses on programs that promote education, gender equality empowering women and development of rural areas.

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
i) Amount required to be spent by the company during the year	12.21	9.01
ii) Amount of expenditure incurred	12.25	9.02
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Details of related party transactions	Refer note no. 37	

**Note 37** - In accordance with Accounting standard 'Ind AS-24' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

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

- a) Key Managerial Personnel : Mr. Ankur Agrawal (Director)  
Mrs. Nirmala H. Kanjar (CFO)  
Mr. Bharat Shiroya (CEO)  
Ms. Sneha Mandelia (CS)
- b) Promoters and their relatives : Anil Agrawal –HUF (Promoter)  
Luharuka Commotrade Pvt. Ltd. (Promoter)  
Luharuka Sales & Services Pvt. Ltd. (Promoter)  
Mrs. Annu Agrawal (Relative)  
Ms. Deepika Agrawal (Relative)  
Mr. Anil Agrawal (Relative)
- c) Associate Company : Lemonade Share & Securities Pvt. Ltd.
- d) i. KMP or relative of KMP having substantial interest : Comfort Securities Limited  
Comfort Intech Limited  
Comfort Commotrade Limited  
Comfort Capital Pvt. Ltd.  
Flora Fountain Properties Ltd.  
Luharuka Exports Pvt. Ltd.  
Luharuka Investment & Consultants Pvt. Ltd  
Seth Govindram Charitable Trust
- ii. Directors : Mr. Devendra Lal Thakur (Director)  
Mr. Milin Ramani (Director)  
Mrs. Apeksha Kadam (Director)

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

				(Rs. in Lakhs)
Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>1</b>	<b>i) Loan Given</b>			
	Comfort Securities Ltd.	-	-	4,696.96 (2,496.00)
	Deepika Agrawal	-	215.00 (215.50)	-
	Anil Agrawal	-	-	-
	Luharuka Commotrade Pvt. Ltd.	-	(90.00)	-
	Comfort Capital Pvt Ltd.	-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	292.00 40.00 (116.00)
	Flora Fountain properties Ltd.	-	-	3,120.00 (830.00)
	Luharuka Exports Pvt. Ltd.	-	-	-
	Comfort Commotrade Ltd	-	-	(2.00) 2,701.00 (2,984.00)
	<b>ii) Loan Received Back</b>			
	Anil Agrawal	-	71.90 (25.00)	-
	Flora Fountain properties Ltd.	-	-	2,923.44 (680.00)
	Luharuka Sales & Services Pvt. Ltd	-	-	-
	Comfort Securities Ltd	-	(114.99)	-
	Deepika Agrawal	-	-	3,303.00 (3,591.00)
	Luharuka Commotrade Pvt. Ltd.	-	923.78 (279.92)	-
	Luharuka Exports Pvt. Ltd.	-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	(174.91)	-
	Comfort Commotrade Ltd.	-	-	124.35 (73.58)
	Comfort Capital Pvt. Ltd.	-	-	3,310.00 (3,055.06)
	Comfort Intech Limited	-	-	87.52 -
<b>2</b>	<b>i) Loan taken</b>			
	Comfort Intech Limited	-	-	625.00 (550.00)
	<b>ii) Loan Repaid</b>			
	Comfort Intech Limited	-	-	1,478.94 (620.00)

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>3</b>	<b>Income</b>			
	Anil Agrawal	-	4.04	-
		-	(4.23)	-
	Deepika Agrawal	-	37.88	-
		-	(110.18)	-
	Luharuka Commotrade Pvt. Ltd.	-	-	-
		-	(4.81)	-
	Luharuka Sales & Services Pvt. Ltd	-	-	-
		-	(3.27)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2.51
		-	-	(13.48)
	Flora Fountain properties Ltd.	-	-	73.06
		-	-	(32.73)
	Comfort Securities Ltd	-	-	168.36
		-	-	(159.77)
	Comfort Commotrade Ltd	-	-	133.21
		-	-	(170.05)
	Luharuka Exports Pvt. Ltd.	-	-	-
		-	-	(0.01)
	Comfort Capital Pvt. Ltd.	-	-	1.81
		-	-	-
<b>4</b>	<b>Expenses</b>			
	<b>Demat Charges Paid</b>			
	Comfort Securities Limited	-	-	-
		-	-	(0.02)
	<b>Brokerage Paid</b>			
	Comfort Securities Limited	-	-	0.80
		-	-	(1.21)
	<b>Office Rent Paid</b>			
	Anil Agrawal –HUF	-	6.00	-
		-	(6.00)	-
	<b>Remuneration</b>			
	Bharat Shiroya	26.00	-	-
		(27.60)	-	-
	Nirmala H Kanjar	15.25	-	-
		(12.82)	-	-
	Deepika Agrawal	-	35.00	-
		-	(12.00)	-
	Ankur Agrawal	47.00	-	-
		(38.25)	-	-
	Sneha Mandelia	8.90	-	-
		(1.88)	-	-
	<b>Interest Paid</b>			
	Comfort Intech Limited	-	-	53.87
		-	-	(105.28)

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>Director Sitting fee Paid</b>				
	Devendra Lal Thakur	-	-	0.90
		-	-	(1.05)
	Milin Ramani	-	-	0.90
		-	-	(1.05)
	Ankur Agrawal	0.80	-	-
		(0.85)	-	-
	Apeksha Kadam	-	-	0.80
		-	-	(0.55)
<b>Corporate Social Responsibility (CSR)</b>				
	Seth Govindram Charitable Trust	-	-	12.25
		-	-	(9.02)
<b>Amount outstanding as at Balance Sheet date</b>				
<b>Loan Given</b>				
	Flora Fountain Properties Ltd.	-	-	418.73
		-	-	(156.42)
	Anil Agrawal	-	(67.86)	-
		-	-	-
	Deepika Agrawal	-	(674.69)	-
		-	-	-
	Comfort Capital Pvt. Ltd.	-	-	206.11
		-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	-
		-	-	(82.09)
	Comfort Commotrade Ltd.	-	-	723.36
		-	-	(1,212.48)
	Comfort Securities Ltd.	-	-	1,871.63
		-	-	(326.14)
<b>Salary Advance Given</b>				
	Ankur Agrawal	3.25	-	-
		(7.67)	-	-
<b>Loan taken</b>				
	Comfort Intech Limited	-	-	-
		-	-	(805.46)

Figure in bracket relates to previous year.

**Note 38 - Segment Reporting:** In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the Ind AS 108.

### NOTE 39 - FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

#### A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exists mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

### Price Risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

- B. Credit Risk:** Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

**Trade Receivables:** Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

**Other Financial Assets:** Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

- C. Excessive risk concentration:** Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- D. Liquidity risk:** Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily and monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Company has liquidity reserves in the form of highly liquid assets like cash and cash equivalents, debt based mutual funds, deposit accounts, etc.

**Note 40 - Capital management:** The primary objective of the Company's capital management is to maximise the shareholder's wealth. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a debt equity ratio, which is total debt divided by total equity.

(Rs. In Lakhs)

Particulars	2023-2024	2022-2023
Total debt	2,606.59	2,761.44
Total Equity	5,498.03	4,985.97
Total debt to equity ratio (Gearing ratio)	0.47	0.55

In the long run, the Company's strategy is to continue to maintain the gearing ratio. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current or previous financial year.

## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

**Note 41** - The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as

- a. Title Deeds of Immovable Property not held in name of Company: Title deeds of immovable property are held in the name of the Company.
- b. Disclosure on Revaluation of Assets: The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- c. Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- d. Borrowings against current assets: The returns or statements submitted by the company to lenders are in agreement with books of accounts. There are no material discrepancies observed in returns or statements submitted by the company to lenders.
- e. Wilful defaulter: The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- f. Relationship with struck off companies : The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act,1956.
- g. Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. Utilisation of borrowed funds and share premium: The Company has not received securities premium through issue of equity and preference shares during the year ended March 31, 2024, and year ended March 31, 2023. There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.
- j. Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- l. Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### NOTE 42 - ANALYTICAL RATIOS

Sr. NO.	Particular	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for variance (if above 25%)
(a)	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR + Tier II CRAR	Risk Weighted Assets	25.43%	36.03%	-28.98	Reduction in Exposure to the Group Companies
(b)	Tier I CRAR	Tier I	Risk Weighted Assets	25.14%	35.73%	-29.20	
(c)	Tier II CRAR	Tier II	Risk Weighted Assets	0.29%	0.29%	-1.56	NA

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

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

**“Tier II capital” includes the following –**

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

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

**Aggregate Risk Weighted Assets –**

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

**NOTE 43 - DISCLOSURE REQUIREMENTS UNDER SCALE BASED REGULATION FOR NBFC:****1. Exposure to Real Estate Sector:**

(Rs. in Lakhs)		
Category	2023-2024	2022-2023
<b>i) Direct exposure</b>		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	206.35	209.66
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	130.63	130.63
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential	-	-
ii. Commercial Real Estate	-	-
<b>ii) Indirect Exposure</b> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>336.98</b>	<b>340.28</b>

**2. Exposure to Capital Market**

(Rs. in Lakhs)		
Category	2023-2024	2022-2023
i) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	3,564.29	4,829.82
ii) Financing to stockbrokers for margin trading	2,594.99	1,538.62
<b>Total exposure to capital market</b>	<b>6,159.28</b>	<b>6,368.44</b>



## STANDALONE NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### 3. Sectoral Exposure

(Rs. in Lakhs)

Sectors	2023-2024			2022-2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	-	-	-	-	-	-
<b>2. Industry</b>						
2.1 Medium	-	-	-	-	-	-
<b>3. Service</b>						
3.1 Trading						
3.1.1 Wholesale Trade	1,035.15	-	-	1,045.88	-	-
3.1.2 Retail Trade	-	-	-	109.27	-	-
3.1.3 Other Services- Margin Funding	3,886.70	-	-	3,245.07	-	-
3.2 NBFC	400.01	-	-	-	-	-
3.3 Professional Services	1,149.91	-	-	858.70	-	-
3.4 Other Services	452.39	-	-	208.10	-	-
<b>4. Personal Loans</b>						
4.1 Advance to individual against shares, bonds etc	242.76	-	-	1,526.54	-	-
4.2 Other personal loans	264.18	211.19	79.941%	248.29	200.00	80.552%
<b>5. Construction</b>	77.51	50.00	64.505%	148.21	50.00	33.737%
<b>6. Priority Sector</b>						
Education	149.68	-	-	-	-	-
<b>Total</b>	<b>7,658.29</b>	<b>261.19</b>	-	<b>7,390.05</b>	<b>250.00</b>	-

### 4. Intra-group exposures: NBFCs shall make the following disclosures for the current year with comparatives for the previous year:

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
i) Total amount of intra-group exposures	3,219.83	2,519.67
ii) Total amount of top 20 intra-group exposures	3,219.83	2,519.67
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	42.04%	34.10%

### 5. Unhedged foreign currency exposure: NBFCs shall disclose details of its unhedged foreign currency exposures.

Further, it shall also disclose their policies to manage currency induced risk.- N.A

**STANDALONE NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**Note 44** - The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses accounting software (tally editlog) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.

**NOTE 45** - The Previous year's figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.

As per our report of even date

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

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To the Members,  
Comfort Fincap Limited

Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Comfort Fincap Limited (hereinafter referred to as the 'Holding Company') and its associate (together referred to as 'Group') which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended March 31, 2024 and notes to the consolidated financial statements, including a summary of material accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2024, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

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

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

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

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

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

### OTHER MATTER

The consolidated financial statements also include the Group's share of profit/(loss) of Rs 0.01 Lakhs for the year ended 31<sup>st</sup> March, 2024, as considered in the consolidated financial statements, in respect of one associates, whose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is solely based on the reports of the other auditors.

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. (A) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of the Holding Company and its associate company is disqualified a none of the disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2020, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate. Refer Note 28 to financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (a) and (iv) (b) contain any misstatement.
  - v. According to information and explanation given to us, the Holding Company has not declared any dividend during the year in terms of provision of section 123 of Companies Act, 2013.
  - vi. As stated in Note 41 to the Financial statements, and based on our examination of parent company which included test checks and based on the consideration of the reports of other auditors of subsidiary and associates, except for instance mentioned

below, the Parent Company, subsidiary and associates in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining books of accounts which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounts during such feature is enabled.

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

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

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

**For A. R. Sodha & Co.**

Chartered Accountants  
FRN 110324W

Sd/-

**Dipesh Sangoi**

Partner

M No.124295

UDIN: 24124295BKDABS6629

Place: Mumbai

Date: 25<sup>th</sup> April, 2024

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMFORT FINCAP LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Comfort Fincap Limited (hereinafter referred to as "the Holding Company") and its associate company, which are companies incorporated in India, as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**OTHER MATTERS**

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

**For A. R. Sodha & Co.**

Chartered Accountants  
FRN 110324W

Sd/-

**Dipesh Sangoi**

Partner

M No.124295

UDIN: 24124295BKDABS6629

Place: Mumbai

Date: 25<sup>th</sup> April, 2024



## CONSOLIDATED BALANCE SHEET as at March 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	1.47	76.13
(b) Bank Balances other than Cash and cash equivalents	3	19.88	22.15
(c) Receivables			
i) Trade Receivables	4	0.74	5.46
ii) Other Receivables		-	-
(d) Loans	5	7,477.53	7,251.47
(e) Investments	6	614.77	399.88
(f) Other Financial assets (to be specified)		-	-
		<b>8,114.38</b>	7,755.10
<b>(2) Non-Financial Assets</b>			
(a) Property, plant and equipment	7	66.71	2.19
(b) Investment Property	8	126.14	-
(c) Other non-financial assets	9	4.50	7.99
		<b>197.35</b>	10.18
<b>(3) Non Current Asset held for sale</b>	10	-	126.14
<b>TOTAL ASSETS</b>		<b>8,311.73</b>	7,891.42
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
Trade payables due to			
Micro and Small Enterprises; and		-	-
Other than Micro and Small Enterprises	11	9.25	9.25
(b) Borrowings	12	2,606.59	2,761.44
(c) Other financial liabilities	13	54.09	34.39
		<b>2,669.93</b>	2,805.08
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	14	32.12	53.67
(b) Deferred tax liabilities (Net)	15	75.44	18.05
(c) Provisions	16	33.19	25.65
		<b>140.75</b>	97.37
<b>(3) EQUITY</b>			
(a) Equity Share capital	17	1,085.13	1,085.13
(b) Other Equity*		4,415.92	3,903.85
		<b>5,501.05</b>	4,988.98
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,311.73</b>	7,891.42
<b>See accompanying notes to the financial statements</b>	1		

\* Refer Statement of changes in equity

As per our report of even date

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

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I Revenue from Operations</b>	18		
(a) Interest Income		<b>1,160.23</b>	1,425.76
(b) Dividend Income		<b>1.99</b>	1.17
(c) Net Gain on Fair Value Changes		<b>214.87</b>	14.54
(d) Sale of services		<b>13.00</b>	24.63
<b>Total Revenue from Operations</b>		<b>1,390.09</b>	1,466.10
<b>II Other Income</b>	19	<b>5.86</b>	7.19
<b>III Total Income (I + II)</b>		<b>1,395.95</b>	1,473.28
<b>IV Expenses</b>			
(a) Finance Costs	20	<b>267.14</b>	501.58
(b) Fees and commission expense	21	<b>32.58</b>	50.77
(c) Impairment on financial instruments	22	<b>42.18</b>	(10.07)
(d) Employee Benefit Expenses	23	<b>171.23</b>	133.65
(e) Depreciation and Amortization Expense	7	<b>5.08</b>	0.22
(f) Other Expenses	24	<b>151.76</b>	142.78
<b>Total Expense</b>		<b>669.97</b>	818.92
<b>V Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>725.98</b>	654.36
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>725.98</b>	654.36
<b>VIII Tax Expense:</b>			
(a) Current Tax		<b>153.15</b>	168.75
(b) Tax of earlier year		<b>(0.05)</b>	0.81
(c) Deferred Tax		<b>58.26</b>	(0.82)
		<b>211.36</b>	168.74
<b>IX Profit (Loss) for the period (VII-VIII)</b>		<b>514.62</b>	485.62
<b>X Add : Share of Profit/(Loss) of Associate</b>		<b>0.01</b>	(0.00)
<b>XI Profit for the Period (after adjustment for Associate (IX + X))</b>		<b>514.63</b>	485.62
<b>XII Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		<b>(3.42)</b>	0.74
(ii) Tax impact on above		<b>0.86</b>	(0.19)
		<b>(2.56)</b>	0.56
<b>Total Comprehensive Income for the period (IX+XII)</b>		<b>512.07</b>	486.17
<b>XIII (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>			
<b>XIV Earnings Per Equity Share (Face Value Rs. 2/- Per Share)</b>			
Basic (Rs.)	25	<b>0.95</b>	0.90
<b>See accompanying notes to the financial statements</b>	1		

As per our report of even date

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

 Sd/-  
**Dipesh Sangoi**  
 Partner  
 Membership No. : 124295  
 Mumbai, April 25, 2024

For and on behalf of the Board

 Sd/-  
**Ankur Agrawal**  
 Director  
 DIN : 06408167

 Sd/-  
**Nirmala Kanjar**  
 CFO

 Sd/-  
**Bharat Shiroya**  
 CEO

 Sd/-  
**Apeksha Kadam**  
 Director  
 DIN : 08878724

 Sd/-  
**Sneha Mandelia**  
 Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax for the year		<b>725.98</b>		654.36
<b>Adjustments for :</b>				
Interest Paid		<b>267.14</b>		501.58
Provision for Gratuity		<b>(3.42)</b>		0.74
Depreciation		<b>5.08</b>		0.22
Change in Fair Value of Current Investments		<b>(214.87)</b>		(14.54)
Impairment on Financial Instruments		<b>42.18</b>	<b>96.11</b>	(10.07)
<b>Operating Profit before Working Capital change</b>		<b>822.09</b>		1,132.29
<b>Adjustments for :</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories				
Trade receivables		<b>4.72</b>		(5.46)
Loans		<b>(268.24)</b>		1,793.42
Other financial assets		-		-
In Bank Balance other than Cash and Cash Equivalents		<b>2.27</b>		(22.15)
Other non-financial assets		<b>3.49</b>	<b>(257.76)</b>	(25.55)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		-		-
Other financial liabilities		<b>19.70</b>		(32.77)
Short-term provisions		<b>7.54</b>		2.74
Long-term provisions		-	<b>27.24</b>	-
<b>Cash Generated From Operations</b>		<b>591.57</b>		2,842.53
Income Tax paid		<b>174.65</b>		142.07
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>		<b>416.92</b>		2,700.46
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments (Purchased)/Sold		-		-
Property, Plant & Equipments (Purchased)/Sold		<b>(69.59)</b>	<b>(69.59)</b>	(1.12)
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>		<b>(69.59)</b>		(1.12)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Capital				
Dividend Paid		-		-
Loan taken / (Repaid) in Secured Loan		<b>(154.85)</b>		(2,345.87)
Interest paid		<b>(267.14)</b>		(501.58)
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>		<b>(421.99)</b>		(2,847.45)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>		<b>(74.67)</b>		(148.11)
Cash and Cash Equivalents-- Opening Balance		<b>76.13</b>		224.25
Cash and Cash Equivalents-- Closing Balance		<b>1.47</b>		76.13

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

As per our report of even date

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

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** for the year ended March 31, 2024

**A. EQUITY SHARE CAPITAL**

Particulars	Amount(₹)
As at April 01, 2022	1,085.13
Changes in equity share capital	-
As at March 31, 2023	1,085.13
Changes in equity share capital	-
As at March 31, 2024	1,085.13

(Rs. in Lakhs)

**B. OTHER EQUITY**

Particulars	Other Equity				Total other Equity
	Reserve and Surplus			Other Comprehensive Income	
	Share Premium	Special Reserve	Retained Earnings		
<b>As at April 01, 2022</b>	<b>809.20</b>	<b>504.64</b>	<b>2,120.03</b>	<b>(16.19)</b>	<b>3,417.67</b>
Total Comprehensive Income for the year	-	-	485.62	0.56	486.17
Transfer from Profit and Loss	-	97.12	-	-	97.12
Transfer to Special Reserve	-	-	(97.12)	-	(97.12)
<b>As at March 31, 2023</b>	<b>809.20</b>	<b>601.76</b>	<b>2,508.52</b>	<b>(15.64)</b>	<b>3,903.85</b>
Total Comprehensive Income for the year	-	-	514.63	(2.56)	512.07
Transfer from Profit and Loss	-	102.92	-	-	102.92
Transfer to Special Reserve	-	-	(102.92)	-	(102.92)
<b>As at March 31, 2024</b>	<b>809.20</b>	<b>704.68</b>	<b>2,920.23</b>	<b>(18.20)</b>	<b>4,415.92</b>

(Rs. in Lakhs)

As per our report of even date  
For **A R Sodha & Co.**  
Chartered Accountants  
Firm Reg. No.: 110324W

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Sneha Mandelia**  
Company Secretary

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE –'1' : MATERIAL ACCOUNTING POLICIES:

#### A. PRINCIPLES OF CONSOLIDATION

- i) The financial statements of the associate used in the consolidation is drawn up to the same reporting date as that of the Company i.e. March 31, 2024 and are prepared based on the accounting policies consistent with those used by the Company.
- ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110-‘Consolidated Financial Statements’ as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (“the Act”) and the other relevant provisions of the Act.
- iii) The Consolidated financial statements have been prepared on the following basis:
  - a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on ‘Investments in Associates and Joint Ventures’.
  - b) The policies of the associate company are consistent with those of the Company.
- iv) The list of associates which are included in the consolidation and the Group’s holdings therein are as under:

Name of the Company	% Shareholding of Comfort Fincap Ltd.	
	F.Y. 2023-2024	F.Y. 2022-2023
Lemonade Share & Securities Private Limited	46.81	46.81

#### B. BASIS OF PREPARATION:

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

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

#### C. PRESENTATION OF FINANCIAL STATEMENTS

The Company presents its Balance Sheet in order of liquidity.

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

#### D. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

#### E. REVENUE RECOGNITION:

##### i) Interest Income

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

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income as per the management’s estimates of its recoverability. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**ii) Dividend Income**

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

**iii) Other Revenue from Operations**

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

**a) Net gain on fair value changes**

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

**b) Recoveries of financial assets written off**

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

**F. PROPERTY, PLANT AND EQUIPMENT:**

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

Sr No	Category	Estimated Useful life
1	Motor Vehicle	8 years
2	Air Condition	10 years
3	Computer and it peripherals	3 Years

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

**G. INVESTMENT PROPERTY**

Investment properties are properties (including those under construction) held to earn rentals and / or capital appreciation are classified as investment property and are measured and reported at cost including transaction costs.

Depreciation is recognized using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

**H. IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

**I. NON-CURRENT ASSETS HELD FOR SALE :**

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

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### J. EMPLOYEE BENEFITS :

- a) **Defined Contribution Plan:** Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.
- b) **Defined Benefit Plan:** The Company provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
- c) **Leave entitlement:** Leave encashment payments are accounted for on accrual basis and is treated as short-term employee benefit.
- d) **Short-term benefits:** Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

### K. FINANCIAL INSTRUMENTS:

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

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

#### i) Financial Assets

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

##### a. Initial recognition and measurement

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

##### b. Subsequent Measurement

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

#### 1. Debt instruments at amortised cost (AC)

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

#### 2. Equity Instruments at FVTPL

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

#### 3. Equity investments designated under FVOCI

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

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

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**c. Derecognition of Financial Assets**

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

**d. Impairment of Financial Assets**

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

Expected Credit Loss is recognized and measured as per the Asset Provisioning norms prescribed by the Reserve Bank of India or as per Company's assessment, at the end of each reporting period, of increase/decrease in credit risk at borrower level and accordingly the Company recognizes a financial asset to be credit impaired by considering relevant objective evidence, primarily whether:

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

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to remain credit impaired until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be removed from the credit impaired category and a fresh assessment of the risk of default be done for such loans.

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

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

**ii) Financial Liabilities**

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

**a. Initial Measurement**

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

**b. Subsequent Measurement**

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

**c. Derecognition**

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

**iii) Offsetting of Financial Instruments**

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

**iv) Investment in subsidiaries and associates**

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

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



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### L. LEASES

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

#### Company as a lessee

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

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

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

#### Right-of-use assets

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

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

#### i) Lease Liabilities

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

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

#### ii) Short-term leases and leases of low-value assets

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

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

### M. BORROWING COSTS:

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

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**N. TAXATION:**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

**Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

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.

**O. EARNINGS PER SHARE**

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

**P. PROVISIONS AND CONTINGENT LIABILITIES**

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

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

**Q. FAIR VALUE MEASUREMENT**

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

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 26 and note no. 27.

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 2 - CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
<b>Cash &amp; Cash Equivalents</b>				
(a) Balances with Banks :				
- Current Accounts	0.31		75.31	
- Deposits	-	0.31	-	75.31
(b) Cash-in-hand		1.16		0.82
<b>TOTAL</b>		<b>1.47</b>		<b>76.13</b>

### NOTE 3 - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
Fixed Deposit (Encumbered- lien marked against OD facility)		10.00		10.00
Escrow Account Balance		0.26		0.20
Earmarked balance with bank				
- against unclaimed dividend		9.62		11.95
<b>TOTAL</b>		<b>19.88</b>		<b>22.15</b>

### NOTE 4 - TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
<b>Unsecured, considered good</b>				
Undisputed Trade receivables*		0.74		5.46
Disputed Trade receivables				-
<b>TOTAL</b>		<b>0.74</b>		<b>5.46</b>

\*Refer note no. 31 for Trade receivable ageing schedule

### NOTE 5 - LOANS

(Rs. in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
<b>At amortised cost</b>				
i) Advances Considered good & in respect of which Company is fully secured	6,782.05		6,945.01	
Less: Impairment loss allowance	(27.19)	6,754.86	(27.80)	6,917.20
ii) Advances Considered good for which Company holds no Security other than personal security	615.06		195.04	
Less: Impairment loss allowance	(2.46)	612.60	(0.78)	194.26
iii) Sub-Standard Advances in respect of which Company is;				
Un-Secured	11.19		-	
Less: Impairment loss allowance	(1.12)	10.07	-	-
iv) Doubtful Advances in respect of which Company is;				
Secured	200.00		200.00	
Un-Secured	50.00		50.00	
Less: Impairment loss allowance	(150.00)	100.00	(110.00)	140.00
<b>TOTAL</b>		<b>7,477.53</b>		<b>7,251.47</b>

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount Outstanding	Percentage to the total loans and advances in the nature of loans	Amount Outstanding	Percentage to the total loans and advances in the nature of loans
a) Amounts repayable on demand				
Promoters	-	-	-	-
Directors	-	-	-	-
Key managerial personnel	-	-	-	-
Other related parties	3,219.83	0.42	2,519.67	0.34

**NOTE 6 - INVESTMENTS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At Fair Value through Profit and Loss Account</b>		
In Equity Instruments	365.75	150.88
<b>At Cost</b>		
<u>In Equity Shares of Associate Companies- Unquoted Fully paid-up</u> 2,20,000 (March 2023 - 2,20,000) Equity Shares of Lemonade Share & Securiteis Pvt. Ltd. (F.V. Rs. 10/- each)	223.01	223.00
<u>In Equity Shares of Other Companies- Unquoted Fully paid-up</u> 2,00,000 (March 2023 - 2,00,000) Equity Shares of Liquors India Limited (F.V. Rs. 10/- each)	26.00	26.00
<b>TOTAL</b>	<b>614.77</b>	<b>399.88</b>

**NOTE : 7 PROPERTY, PLANT AND EQUIPMENT**

(Rs. in Lakhs)

Tangible assets	Gross block			Accumulated depreciation and impairment				Net block		
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation / amortisation expense for the year	Other adjustments	Balance as at March 31, 2024	Balance as at March 31, 2024	Balance as at March 31, 2023
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Computer	1.12	-	-	1.12	-	0.37	-	0.37	0.75	1.12
Air Condition	2.23	-	-	2.23	1.16	0.22	-	1.38	0.85	1.07
Motor Vehicle	-	69.59	-	69.59	-	4.48	-	4.48	65.11	-
<b>Total</b>	<b>3.35</b>	<b>69.59</b>	<b>-</b>	<b>72.94</b>	<b>1.16</b>	<b>5.08</b>	<b>-</b>	<b>6.24</b>	<b>66.71</b>	<b>2.19</b>
Previous year	2.23	1.12	-	3.35	0.93	0.22	-	1.16	2.19	1.30

**NOTE 8 - INVESTMENT IN PROPERTY**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property	126.14	-
<b>TOTAL</b>	<b>126.14</b>	<b>-</b>

\* The asset which was, in an earlier years, classified under Assets held for Sale has been re-classified under Investment Property and depreciation on this asset has not been charged since the property is under construction.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 9 - OTHER NON-FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Prepaid Expenses	0.86	-
(b) Other Advances	3.25	7.67
(c) GST Credit	-	0.32
(d) TDS deposit with Exchange	0.40	-
<b>TOTAL</b>	<b>4.50</b>	<b>7.99</b>

### NOTE 10 - NON CURRENT ASSET

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Asset held for sale*	-	126.14
<b>TOTAL</b>	<b>-</b>	<b>126.14</b>

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

### NOTE 11 - TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables	9.25	9.25
<b>TOTAL</b>	<b>9.25</b>	<b>9.25</b>

\*Refer note no. 34 for Trade payables ageing schedule

### NOTE 12 - BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At Amortised Cost</b>		
(a) Loans repayable on demand		
From banks		
Secured*	197.08	219.90
Unsecured	-	-
	197.08	219.90
* Secured loans are lien on FDR kept with bank. The interest rate on this facility is FD Interest Rate+1%		
(b) Loans and advances from Others		
Secured**	2,409.51	1,736.08
Unsecured	-	805.46
	2,409.51	2,541.54
** Secured loans are taken on securities held by the Company. The interest rate on these facilities are ranging from 9.25% to 12.00%.		
<b>TOTAL</b>	<b>2,606.59</b>	<b>2,761.44</b>

### NOTE 13 - OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Payables	44.47	22.43
Un-paid Dividend	9.62	11.95
<b>TOTAL</b>	<b>54.09</b>	<b>34.39</b>

### NOTE 14 - CURRENT TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Taxation (net of Advance tax & TDS)	32.12	53.67
<b>TOTAL</b>	<b>32.12</b>	<b>53.67</b>

Refer note 32

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**NOTE 15 - DEFERRED TAX LIABILITIES (NET)**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities/(Assets) relates to the following		
Depreciation and amortisation	1.19	(0.37)
Gratuity	(8.35)	(6.46)
Unrealised net gain on fair value changes	82.61	24.87
<b>TOTAL</b>	<b>75.44</b>	<b>18.05</b>

Refer note no. 32

**NOTE 16 - PROVISIONS**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
- Gratuity	33.19	25.65
<b>TOTAL</b>	<b>33.19</b>	<b>25.65</b>

Refer note 29

**NOTE 17 - EQUITY SHARE CAPITAL**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised :</b>		
7,50,00,000 Equity Shares (Previous Year 7,50,00,000) of Rs. 2/- each	1,500.00	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued and Subscribed :</b>		
5,42,56,500 Equity Shares (Previous Year 5,42,56,500) of Rs. 2/- each	1,085.13	1,085.13
<b>TOTAL</b>	<b>1,085.13</b>	<b>1,085.13</b>
<b>Subscribed and Paid-up :</b>		
5,42,56,500 Equity Shares (Previous Year 5,42,56,500) of Rs. 2/- each	1,085.13	1,085.13
<b>TOTAL</b>	<b>1,085.13</b>	<b>1,085.13</b>

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

(In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Number of shares at the beginning of the year</b>	542.57	542.57
<b>Add: Issue of Shares during the year</b>		
Number of shares allotted as fully paid-up during the year	-	-
	-	-
<b>No. of shares at the end of the year</b>	<b>542.57</b>	<b>542.57</b>

**(b) Terms/rights attached to equity shares.**

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

No. of Shares held by	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (in Lakhs)	%	No. of Shares (in Lakhs)	%
Luharuka Commotrade Pvt Ltd	211.16	38.92	211.16	38.92
Anil Agarwal HUF	58.20	10.73	58.20	10.73
Luharuka Sales & Service Private Limited	35.51	6.54	29.53	5.44

### (d) Details of Shares in the Company held by each promoter as at the end of the year at March 31, 2024

Promoters Name	As at March 31, 2024		% Change during the Year
	No. of Shares (in Lakhs)	%	
Anil Agrawal HUF	58.20	10.73	0
Luharuka Sales & Services Private Limited	35.51	6.54	1.1
Luharuka Commotrade Private Limited	211.16	38.92	0

### Details of Shares in the Company held by each promoter as at the end of the year at March 31, 2023

Promoters Name	As at March 31, 2023		% Change during the Year
	No. of Shares (in Lakhs)	%	
Anil Agrawal HUF	58.20	10.73	0
Luharuka Sales & Services Private Limited	29.53	5.44	0.46
Luharuka Commotrade Private Limited	211.16	38.92	0

### NOTE 18 - REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest Income		
From Loans & Advances	1,160.23	1,425.76
(b) Dividend Income	1.99	1.17
(c) Net Gain on Fair Value Changes		
Profit/(loss) from Sale of Equity Instruments held for trading	-	-
Change in Fair Value of Equity Instruments held for trading	214.87	14.54
	214.87	14.54
(d) Sale of Services		
Financial Advisory & Consultancy	13.00	24.63
<b>TOTAL</b>	<b>1,390.09</b>	<b>1,466.10</b>

### NOTE 19 - OTHER INCOME

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Misc. income	0.20	1.67
Interest from Term deposits	0.65	0.52
Recovery of Written of Financial Assets	5.00	5.00
<b>TOTAL</b>	<b>5.86</b>	<b>7.19</b>

### NOTE 20 - FINANCIAL COSTS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses	267.14	501.58
<b>TOTAL</b>	<b>267.14</b>	<b>501.58</b>

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**NOTE 21 - FEES AND COMMISSION EXPENSE**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission Expenses	32.58	50.77
<b>TOTAL</b>	<b>32.58</b>	<b>50.77</b>

**NOTE 22 - IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Loans- at amortised cost	42.18	(10.07)
<b>TOTAL</b>	<b>42.18</b>	<b>(10.07)</b>

**NOTE 23 - EMPLOYMENT BENEFIT EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Bonus & Allowances	156.84	117.80
PF Expenses	0.96	1.15
Staff Insurance Expenses	1.08	0.99
Staff Welfare Expenses	8.24	10.23
Gratuity Expense	4.11	3.48
<b>TOTAL</b>	<b>171.23</b>	<b>133.65</b>

**NOTE 24 - OTHER EXPENSES**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement Expenses	1.36	2.18
Annual Listing fees	3.92	4.70
Bad-Debts / loans w/off	1.62	36.72
Business promotion expenses	31.68	8.80
Expense towards Corporate Social Responsibility	12.25	9.02
Custodial Fees	1.09	1.09
Director's Sitting Fees	3.71	3.82
Insurance Expenses	1.79	0.04
Legal, Professional & Technical Charges	22.66	22.60
Miscellaneous Expenses	14.95	10.05
Penalty Expenses	-	1.65
Printing, Postage & Stationery Expenses	2.06	2.22
Professional Tax	0.21	0.03
Payments to Auditors :		
- Audit & Tax Audit fees	3.60	3.57
- For Other Services	-	3.57
Travelling & Conveyance Expenses	26.19	26.96
Telephone Expenses	2.66	1.65
Repairs & Maintenance Expenses	3.51	1.62
Rent Expenses	6.00	6.00
Share Trading Expense	-	0.06
Settlement Compensation paid	12.50	-
<b>TOTAL</b>	<b>151.76</b>	<b>142.78</b>



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 25 - EARNINGS PER EQUITY SHARE

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
<b>(a)</b> Net profit after tax attributable to equity shareholders for				
Basic EPS	514.62		485.62	
Add/Less: Adjustment relating to potential equity shares	-	514.62	-	485.62
Net profit after tax attributable to equity shareholders for		514.62		485.62
Diluted EPS				
<b>(b)</b> Weighted average no. of equity shares outstanding during the year				
For Basic EPS		542.57		542.57
<b>(c)</b> Face Value per Equity Share (Rs.)		2.00		2.00
Basic EPS		0.95		0.90

### NOTE 26 - FAIR VALUE

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

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

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

#### Valuation Framework

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

The Group's valuation framework includes:

Benchmarking prices against observable market prices or other independent sources;

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

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

#### Valuation Framework

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

Fair values of Investments held for trading under FVTPL have been determined under level 1 (refer note no. 27) using quoted market prices of the underlying instruments;

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

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

### NOTE 27- FAIR VALUE HIERARCHY

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

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

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

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

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2024

(Rs. in Lakhs)

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-3-2024	365.75	-	-	365.75
Equity instrument classified under FVOCI	31-3-2024	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2023

(Rs. in Lakhs)

Particulars	Date of Valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-3-2023	150.88	-	-	150.88
Equity instrument classified under FVOCI	31-3-2023	-	-	-	-

Fair Value of Financial Instruments not measured at fair value as at March 31, 2024

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
Cash and cash equivalents	1.47	1.47	-	-	1.47
Bank Balances other than Cash and cash equivalents	19.88	19.88	-	-	19.88
Receivables					
i) Trade Receivables	0.74	-	-	0.74	0.74
ii) Other Receivables	-	-	-	-	-
Loans	7,477.53	-	-	7,477.53	7,477.53
Investments	249.01	-	-	249.01	249.01
Other Financial assets (to be specified)	-	-	-	-	-
<b>Financial Liabilities</b>					
Payables					
Trade payables due to					
Micro and Small Enterprises; and	-	-	-	-	-
Other than Micro and Small Enterprises	9.25	-	-	9.25	9.25
Borrowings	2,606.59	-	-	2,606.59	2,606.59
Other financial liabilities	54.09	-	-	54.09	54.09

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Fair Value of Financial Instruments not measured at fair value as at March 31, 2023

(Rs. in Lakhs)

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
Cash and cash equivalents	76.13	76.13	-	-	76.13
Bank Balances other than Cash and cash equivalents	22.15	22.15	-	-	22.15
Receivables					
i) Trade Receivables	5.46	-	-	5.46	5.46
ii) Other Receivables	-	-	-	-	-
Loans	7,251.47	-	-	7,251.47	7,251.47
Investments	249.00	-	-	249.00	249.00
Other Financial assets (to be specified)	-	-	-	-	-
<b>Financial Liabilities</b>					
Payables					
Trade payables due to Micro and Small Enterprises; and	-				
Other than Micro and Small Enterprises	9.25	-	-	9.25	9.25
Borrowings	2,761.44	-	-	2,761.44	2,761.44
Other financial liabilities	34.39	-	-	34.39	34.39

### NOTE 28- CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
i) Contingent Liabilities		
a) Income Tax demand * (Appeal/rectification has been filed against the order)	35.15	6.23
ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account	-	-

\*In addition to the above there is a demand of Rs.18.75/- (Lakhs) , Rs. 5.61/- (Lakhs) & Rs. 5.48/- (Lakhs) for AY 2013-14 AY 2016-17and AY 2017-18 respectively u/s 115O in respect of DDT for which company had already discharge the DDT liability and filed the offline manual submission to the AO and also online response raised under grievance for rectification of same.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**NOTE 29 - EMPLOYEE RETIREMENT BENEFITS:**

To comply with the requirement of Ind AS 19 Employee Benefits company has changed its accounting policy with respect to Defined Benefit Plan in the nature of Gratuity and has obtained the Actuarial Valuation report from Actuary. In accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, the effect of the change has been given retrospectively in all the period presented. The details of effects on account of change in policy in the previously reported period is as follow:

Particulars	(Rs. In Lakhs)	
	2022-2023	2021-2022
Previously Reported Profit After Tax	488.23	
Effect of Gratuity Provision	-3.49	
Tax Effect of Above (Deferred Tax)	0.88	
<b>Current Reported Profit After Tax</b>	<b>485.62</b>	
Previously Reported OCI	-	
Effect of Re-measurements of the defined benefit plans (Gain/Loss)	0.74	
Tax Effect of Above (Deferred Tax)	-0.19	
<b>Current Reported OCI</b>	<b>0.55</b>	
Previously Reported Other Equity	3923.04	3434.82
Total Effect of Gratuity Provision	-25.65	-22.91
Tax Effect of Above (Deferred Tax)	6.45	5.77
<b>Currently Reported Other Equity</b>	<b>3,903.84</b>	<b>3,417.68</b>
Previously Reported Provisions	-	-
Total Effect of Gratuity Provision	25.65	22.91
<b>Currently Reported Provisions</b>	<b>25.65</b>	<b>22.91</b>

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

**i. Expenses Recognized in the Statement of Profit & loss**

Particulars	(Rs. in Lakhs)	
	2023-2024	2022-2023
Current Service Cost	2.21	1.90
Net interest Cost	1.90	1.58
Past Service Cost-recognized	-	-
<b>Expenses Recognized in the Statement of Profit &amp; loss</b>	<b>4.11</b>	<b>3.48</b>

**ii. Expenses Recognized in Other Comprehensive Income**

Particulars	(Rs. in Lakhs)	
	2023-2024	2022-2023
Actuarial (Gains)/Losses on Obligation For the Period	3.42	(0.74)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Expenses Recognized in Other Comprehensive Income</b>	<b>3.42</b>	<b>(0.74)</b>

**iii. Net Liability/(Asset) Recognized in the Balance Sheet**

Particulars	(Rs. in Lakhs)	
	2023-2024	2022-2023
Current Liability	3.10	2.41
Non-Current Liability	30.08	23.24
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>33.18</b>	<b>25.65</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### Actuarial assumptions

Particulars	2023-2024	2022-2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.19%	7.39%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	10.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The Company has a defined benefit gratuity plan in India (unfunded). The Company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from Company as and when it becomes due and is paid as per Company scheme for Gratuity.

### Risks associated with defined benefit plan: Gratuity is a defined benefit plan and entity is exposed to the following Risks

- Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Interest rate risk:** A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.
- Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.
- Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### Characteristics of defined benefit plans:

- During the year, there were no plan amendments, curtailments and settlements.
- Gratuity plan is unfunded.

### NOTE 30 - FOREIGN CURRENCY TRANSACTIONS:

The unhedged foreign currency exposure as on March 31, 2024 is Rs. Nil (Previous year Rs. Nil).

Foreign Exchange earnings- Nil (Nil)

Foreign Exchange outgo- Nil (Nil)

### NOTE 31 - TRADE RECEIVABLES AGEING SCHEDULE

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- Considered good	-	-	0.74	-	-	0.74
(ii) Undisputed Trade receivables- which have significant increase in risk	-	(5.46)	-	-	-	(5.46)
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in risk	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-
<b>Total</b>	-	<b>(5.46)</b>	<b>0.74</b>	-	-	<b>0.74</b>
	-					<b>(5.46)</b>

Figure in bracket relates to previous year.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024**NOTE 32 - CURRENT INCOME TAX LIABILITIES (NET) :****i. Component of Income Tax Expense**

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
<b>Tax Expense in Profit and Loss</b>		
Current Year Tax	153.15	168.75
Adjustment related to Previous Years	(0.05)	0.81
<b>(A)</b>	<b>153.10</b>	<b>169.56</b>
Current Year Deferred Tax	58.26	(0.82)
Adjustment related to Previous Years	-	-
<b>(B)</b>	<b>58.26</b>	<b>(0.82)</b>
<b>Total (A+B)</b>	<b>211.36</b>	<b>168.74</b>
<b>Tax Expense in Other Comprehensive Income</b>		
Gain/(Loss) on re-measurement of net benefit plan	0.86	(0.19)
<b>Total</b>	<b>0.86</b>	<b>(0.19)</b>

ii. Reconciliation of Effective Tax Rate: The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Statutory Income Tax Rate	25.17%	25.17%
Tax Amount at Statutory Tax Rate	182.71	164.69
Corporate Social Responsibility	3.08	2.27
Stock Adjustment	3.66	(3.66)
Provision for advances	17.71	-
Others	-	0.42
Interest on Income Tax	4.24	4.21
Tax adjustment of PY	(0.05)	0.81
<b>Tax at effective Rate</b>	<b>211.36</b>	<b>168.74</b>
<b>Effective Tax Rate</b>	<b>29.11%</b>	<b>25.79%</b>

**Deferred Tax Liabilities (net)**

(Rs. in Lakhs)

Particulars	Difference between book base and tax base of PPE	Expenses allowable on payment basis	Changes in Fair Value	Net deferred tax Liabilities/(assets)
<b>As at April 01, 2022</b>	<b>(0.42)</b>	<b>(5.77)</b>	<b>24.87</b>	<b>18.68</b>
Charged / (credited)				
- to profit or loss	0.06	(0.88)	-	(0.82)
- to other comprehensive income	-	0.19	-	0.19
<b>As at March 31, 2023</b>	<b>(0.37)</b>	<b>(6.46)</b>	<b>24.87</b>	<b>18.05</b>
Charged / (credited)				
- to profit or loss	1.56	(1.04)	57.74	58.26
- to other comprehensive income	-	(0.86)	-	(0.86)
<b>As at March 31, 2024</b>	<b>1.19</b>	<b>(8.35)</b>	<b>82.61</b>	<b>75.44</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### NOTE 33 - LOANS GIVEN:

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

Particulars	(Rs. in Lakhs)	
	2023-2024	2022-2023
Secured against Immovable Property	336.98	340.28
Secured against Shares	6,159.28	6,368.44
Secured against Trade Receivables	485.79	436.29

b. In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company is equal to the total provision required under IRACP (including standard asset provisioning), as at March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.

c. The below table depicts classification of Overdue loans outstanding as on March 31, 2024.

Sr. No.	Type of Assets	Overdue Account Count	(Rs. in Lakhs)	
			Principle Overdue Amount	Interest Overdue Amount
1	Standard Asset	1	-	5.63
		3	-	(51.68)
2	Sub Standard Asset	1	6.37	4.81
		-	-	-
3	Doubtful Asset	2	250.00	115.34
		2	(250.00)	(82.84)

### NOTE 34 - TRADE PAYABLES AGEING SCHEDULE

Particulars	(Rs. in Lakhs)				Total
	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	-	-	9.25	-	9.25
	-	-	(9.25)	-	(9.25)
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	-	<b>9.25</b>	-	<b>9.25</b>
	-	-	<b>(9.25)</b>	-	<b>(9.25)</b>

Figure in bracket relates to previous year.

**NOTE 35** - There are no dues to Micro and Small Enterprises as at March 31, 2024. 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.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS** For the year ended March 31, 2024

**NOTE 36 - Corporate Social Responsibility :** - As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society at large. The Company's CSR activity primarily focuses on programs that promote education, gender equality empowering women and development of rural areas.

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
i) Amount required to be spent by the company during the year	12.21	9.01
ii) Amount of expenditure incurred	12.25	9.02
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Details of related party transactions	Refer note no. 37	

**NOTE 37 -** In accordance with Accounting standard 'Ind AS-24' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

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

- a) Key Managerial Personnel : Mr. Ankur Agrawal (Director)  
Mrs. Nirmala H. Kanjar (CFO)  
Mr. Bharat Shiroya (CEO)  
Ms. Sneha Mandelia (CS)
- b) Promoters and their relatives : Anil Agrawal – HUF (Promoter)  
Luharuka Commotrade Pvt. Ltd. (Promoter)  
Luharuka Sales & Services Pvt. Ltd. (Promoter)  
Mrs. Annu Agrawal (Relative)  
Ms. Deepika Agrawal (Relative)  
Mr. Anil Agrawal (Relative)
- c) Associate Company : Lemonade Share & Securities Pvt. Ltd.
- d) i. KMP or relative of KMP having substantial interest : Comfort Securities Limited  
Comfort Intech Limited  
Comfort Commotrade Limited  
Comfort Capital Pvt. Ltd.  
Flora Fountain Properties Ltd.  
Luharuka Exports Pvt. Ltd.  
Luharuka Investment & Consultants Pvt. Ltd  
Seth Govindram Charitable Trust
- ii. Directors : Mr. Devendra Lal Thakur (Director)  
Mr. Milin Ramani (Director)  
Mrs. Apeksha Kadam (Director)



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

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

				(Rs. in Lakhs)
Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>1</b>	<b>i) Loan Given</b>			
	Comfort Securities Ltd.	-	-	4,696.96 (2,496.00)
	Deepika Agrawal	-	215.00 (215.50)	-
	Anil Agrawal	-	-	-
	Luharuka Commotrade Pvt. Ltd.	-	-	-
	Comfort Capital Pvt Ltd.	-	-	292.00 -
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	40.00 (116.00)
	Flora Fountain properties Ltd.	-	-	3,120.00 (830.00)
	Luharuka Exports Pvt. Ltd.	-	-	-
	Comfort Commotrade Ltd	-	-	2,701.00 (2,984.00)
	<b>ii) Loan Received Back</b>			
	Anil Agrawal	-	71.90 (25.00)	-
	Flora Fountain properties Ltd.	-	-	2,923.44 (680.00)
	Luharuka Sales & Services Pvt. Ltd	-	-	-
	Comfort Securities Ltd	-	-	3,303.00 (3,591.00)
	Deepika Agrawal	-	923.78 (279.92)	-
	Luharuka Commotrade Pvt. Ltd.	-	-	-
	Luharuka Exports Pvt. Ltd.	-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	124.35 (73.58)
	Comfort Commotrade Ltd.	-	-	3,310.00 (3,055.06)
	Comfort Capital Pvt. Ltd.	-	-	87.52 -
<b>2</b>	<b>i) Loan taken</b>			
	Comfort Intech Limited	-	-	625.00 (550.00)
	<b>ii) Loan Repaid</b>			
	Comfort Intech Limited	-	-	1,478.94 (620.00)

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>3</b>	<b>Income</b>			
	Anil Agrawal	-	4.04	-
		-	(4.23)	-
	Deepika Agrawal	-	37.88	-
		-	(110.18)	-
	Luharuka Commotrade Pvt. Ltd.	-	-	-
		-	(4.81)	-
	Luharuka Sales & Services Pvt. Ltd	-	-	-
		-	(3.27)	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	2.51
		-	-	(13.48)
	Flora Fountain properties Ltd.	-	-	73.06
		-	-	(32.73)
	Comfort Securities Ltd	-	-	168.36
		-	-	(159.77)
	Comfort Commotrade Ltd	-	-	133.21
		-	-	(170.05)
	Luharuka Exports Pvt. Ltd.	-	-	-
		-	-	(0.01)
	Comfort Capital Pvt. Ltd.	-	-	1.81
		-	-	-
<b>4</b>	<b>Expenses</b>			
	<b>Demat Charges Paid</b>			
	Comfort Securities Limited	-	-	-
		-	-	(0.02)
	<b>Brokerage Paid</b>			
	Comfort Securities Limited	-	-	0.80
		-	-	(1.21)
	<b>Office Rent Paid</b>			
	Anil Agrawal –HUF	-	6.00	-
		-	(6.00)	-
	<b>Remuneration</b>			
	Bharat Shiroya	26.00	-	-
		(27.60)	-	-
	Nirmala H Kanjar	15.25	-	-
		(12.82)	-	-
	Deepika Agrawal	-	35.00	-
		-	(12.00)	-
	Ankur Agrawal	47.00	-	-
		(38.25)	-	-
	Sneha Mandelia	8.90	-	-
		(1.88)	-	-
	<b>Interest Paid</b>			
	Comfort Intech Limited	-	-	53.87
		-	-	(105.28)

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

Sr. No.	Particulars	Key Managerial Personnel	Promoters and their relatives	KMP or relative of KMP having substantial interest & Directors
<b>Director Sitting fee Paid</b>				
	Devendra Lal Thakur	-	-	0.90
		-	-	(1.05)
	Milin Ramani	-	-	0.90
		-	-	(1.05)
	Ankur Agrawal	0.80	-	-
		(0.85)	-	-
	Apeksha Kadam	-	-	0.80
		-	-	(0.55)
<b>Corporate Social Responsibility (CSR)</b>				
	Seth Govindram Charitable Trust	-	-	12.25
		-	-	(9.02)
<b>Amount outstanding as at Balance Sheet date</b>				
<b>Loan Given</b>				
	Flora Fountain Properties Ltd.	-	-	418.73
		-	-	(156.42)
	Anil Agrawal	-	(67.86)	-
		-	-	-
	Deepika Agrawal	-	(674.69)	-
		-	-	-
	Comfort Capital Pvt. Ltd.	-	-	206.11
		-	-	-
	Luharuka Investment & Consultants Pvt. Ltd.	-	-	(82.09)
		-	-	723.36
	Comfort Commotrade Ltd.	-	-	(1,212.48)
		-	-	1,871.63
	Comfort Securities Ltd.	-	-	(326.14)
<b>Salary Advance Given</b>				
	Ankur Agrawal	3.25	-	-
		(7.67)	-	-
<b>Loan taken</b>				
	Comfort Intech Limited	-	-	-
		-	-	(805.46)

Figure in bracket relates to previous year.

**NOTE 38 - Segment Reporting:** In the opinion of the Management, the Company is operating in a single segment only as per the provisions of the Ind AS 108.

### NOTE 39 - FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

#### A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exists mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

### Price Risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

- B. Credit Risk:** Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

**Trade Receivables:** Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

**Other Financial Assets:** Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

- C. Excessive risk concentration:** Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- D. Liquidity risk:** Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily and monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Company has liquidity reserves in the form of highly liquid assets like cash and cash equivalents, debt based mutual funds, deposit accounts, etc.

**NOTE 40** - The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as

- a. Title Deeds of Immovable Property not held in name of Company: Title deeds of immovable property are held in the name of the Company
- b. Disclosure on Revaluation of Assets: The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- c. Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- d. Borrowings against current assets: The returns or statements submitted by the company to lenders are in agreement with books of accounts. There are no material discrepancies observed in returns or statements submitted by the company to lenders.
- e. Wilful defaulter: The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- f. Relationship with struck off companies : The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- g. Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS For the year ended March 31, 2024

- h. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. Utilisation of borrowed funds and share premium: The Company has not received securities premium through issue of equity and preference shares during the year ended March 31, 2024, and year ended March 31, 2023. There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.
- j. Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- k. Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- l. Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**NOTE 41** - The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses accounting software (tally editlog) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.

**NOTE 42** - The Previous year's figures have been regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding financial year are included as an integral part of current year's financial statements.

As per our report of even date attached

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

Sd/-  
**Dipesh Sangoi**  
Partner  
Membership No. : 124295  
Mumbai, April 25, 2024

For and on behalf of the Board

Sd/-  
**Ankur Agrawal**  
Director  
DIN : 06408167

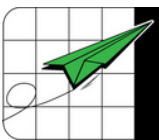
Sd/-  
**Nirmala Kanjar**  
CFO

Sd/-  
**Bharat Shiroya**  
CEO

Sd/-  
**Apeksha Kadam**  
Director  
DIN : 08878724

Sd/-  
**Sneha Mandelia**  
Company Secretary





**COMFORT  
FINCAP**

If undelivered, please return to:

**COMFORT FINCAP LIMITED**

**Corporate Office:** A- 301, Hetal Arch,  
SV Road, Malad West, Mumbai 400064

