

**Annual Report
2012 - 2013**

COMFORT FINCAP LIMITED

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BOARD OF DIRECTORS :

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

AUDITORS:

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

REGISTRARS AND TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai – 400 072.
Phone No. : 022-40430200,
Fax No. : 022-28475207
Email id.:info@bigshareonline.com,
Website: www.bigshareonline.com

BANKERS:

The Union Bank of India

REGISTERED OFFICE:

Premises No. 22,
Camac Street,
Kolkata – 700016
Email.: info@comfortfincap.com
Website: www.comfortfincap.com

NOTICE

NOTICE is hereby given that the ANNUAL GENERAL MEETING of COMFORT FINCAP LIMITED will be held on Saturday, 20th July, 2013 at 4.30 P.M at the Registered office of the Company situated at premises No. 22, Camac Street, Kolkata - 700 016 to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To declare the dividend on Equity Shares
3. To appoint a Director in place of Mr. Anil Nevatia who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. Sub-division of face value of each Equity Share from Rs. 10/- to Re. 1/-

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (Act) and the provisions of Memorandum & Articles of Association and subject to the approvals, consents, permissions and sanctions as sub-divided into 15,00,00,000 Equity Shares of Re. 1/- each AND THAT Clause V (being may be necessary from the appropriate authorities or bodies, the 1,50,00,000 Equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub Capital Clause) of the Memorandum of Association be altered accordingly.

"RESOLVED FURTHER that the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders' accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s), to give effect to the aforesaid resolution."

6. Delisting of Equity Shares :

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

"RESOLVED THAT pursuant to the provisions of Companies Act, 1956, Securities Contract (Regulation) Act, 1956 and the rules framed there under, Listing Agreements, Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and all other applicable laws, rules, regulations and guidelines and subject to all such condition and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company and subject to the approval of the members of the Company, the Company's Ordinary (Equity) Shares be and are hereby delist voluntarily from the Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited."

"RESOLVED FURTHER THAT Mr. Anil Agrawal and/ or Mr. Bharat Shiroya, Director of the company be and are hereby authorised to execute all documents, papers and to do all such acts which is necessary for delisting the securities from the above stock exchanges."

By Order of the Board

Sd/-
Anil Agrawal
Director

Place: Mumbai
Date : 08.06.2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5 & 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st June 2013 to 25th June 2013. (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
8. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Director at the Corporate office of the company or to the RTA i.e. Bigshare Services Pvt. Ltd.

10. Payment of dividend through ECS/NECS :

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

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

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

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

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

Item No. 5

The shareholders to note that the Equity Shares of your Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE), Calcutta Stock Exchange Limited (CSE), Delhi Stock Exchange Limited (DSE) and also on Uttar Pradesh Stock Exchange Limited (UPSE). The market price of the shares of the Company has witnessed significant spurt in the recent past. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 8th June 2013, considered it desirable to sub-divide the nominal value of the equity portion of the authorized share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten) equity shares of Re. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified to the Stock Exchange.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Board of Directors recommends the resolution for your approval.

None of the directors is concerned or interested in the said resolution, except to the extent of shares held by them in the Company.

Item No. 6

The Company's Ordinary (Equity) shares are presently listed on the following Stock Exchanges in India :

1. Bombay Stock Exchange Limited, Mumbai (BSE)
2. Calcutta Stock Exchange Limited (CSE)
3. Delhi Stock Exchange Limited.(DSE)
4. Uttar Pradesh Stock Exchange Limited (UPSE)

Consequent to the recent rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centers on BSE, investors have access to online dealings in the company's securities across the country and substantial volume of trading is carried out through BSE. Accordingly, the trading volumes at the Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited have gradually diminished and do not justify the payment of listing fees to them. The Company believes that no particular benefit is available to the shareholders of the company by continuing the listing of Ordinary (Equity) shares.

As per the recent Delisting of Securities Regulations, 2009 issued by Securities and Exchange Board of India (SEBI), an exit opportunity need not be provided to the shareholders of the Company on delisting of its Ordinary (Equity) shares from the Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited provided the Ordinary (Equity) shares of the

Company continue to be listed at BSE and CSE. The proposed voluntary delisting of the company's Ordinary (Equity) shares from the Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited will, apart from the saving resulting from the non payment of annual listing fees, it will also reduce a lot of administrative work. The delisting will not adversely affect any investors including the Shareholders located in the regions of Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited.

Pursuant to the Regulations issued by SEBI on voluntary delisting by companies of their securities from the Stock Exchanges, it is now proposed to seek the Shareholder's approval by way of a Special Resolution for voluntary delisting the company's Ordinary (Equity) shares from the Delhi Stock Exchange Limited and Uttar Pradesh Stock Exchange Limited.

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

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

By Order of the Board

Place : Mumbai
Date : 08.06.2013

Sd/-
Anil Agrawal
Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Name : Mr. Anil Nevatia

Age : 50

Qualification : B.Com., FCA

Brief Profile : He is an Independent Director of our Company. He has completed his graduation in commerce and is a fellow member of ICAI. He is a practicing Chartered Accountant since 1988. He has more than 20 years of experience in the field of commerce, finance, audit and taxation. As an Independent Director of our Company and Chartered Accountant by profession, he brings value addition to the Company. He has been designated as Independent Director of our Company since 9th April, 2011.

Shareholding in the Company : Nil

DIRECTORS' REPORT**To the Members of the Company,**

Your Directors have pleasure in presenting the Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2013. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

	(₹ In Lacs)	
PARTICULARS	YEAR ENDED 31ST MARCH 2013	YEAR ENDED 31ST MARCH 2012
Income from Operations	998.41	3948.76
Profit Before Depreciation and Taxes	148.48	84.69
Less: Depreciation	(2.38)	(1.18)
Less : Provision for		
(a) Income tax	(47.73)	(25.00)
(b) Deferred tax	-	(0.01)
Income Tax paid of Earlier years	0.73	-
Provisions for Loans & Advances	-	-
Profit for the Year	99.09	58.53
Add: Brought forward from last year	185.29	163.69
Distributable Profits	284.39	222.22
Appropriated as under :		
Transfer to Special Reserve	(19.82)	(11.71)
Proposed Equity Dividend	(54.25)	(21.70)
Tax on Distributed Profits	(9.22)	(3.52)
Balance Carried Forward to Balance sheet	201.09	185.29

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2012-13 on Equity Shares of Rs.10/- each at 0.50 paise per share equivalent to 5% aggregating to Rs. 54,25,650/- (Rupees Fifty Four Lakhs Twenty five thousand Six Hundred and Fifty Only)

FINANCIAL HIGHLIGHTS:

- Income from operations stood at Rs. 998.41 lacs for fiscal 2013
- Profit before taxes for fiscal 2013 is Rs. 146.1 lacs
- Profit after taxes for fiscal 2013 is Rs. 99.09 lacs
- Basic earning per share for fiscal 2013 was Rs. 0.91 per share

DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-2013 and of the profit and loss of the Company for the period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

STATUTORY AUDITORS:

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

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2012-13 and a detailed report on Corporate Governance, as required under Clause 49 of the Listing agreement executed with the Stock Exchanges, are given in separate sections forming part of the Annual Report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A);

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

LISTING:

During the year your company got listed in Bombay Stock Exchange Limited with effect from 25th March 2013 through direct listing norms and are admitted to dealings under Group "B/S&P BSE SMALL CAP "SCRIPT CODE OF 535267 & SCRIPT ID "COMFINCAP" ON BSE.

The Equity Shares of the Company are also at presently listed with the Calcutta Stock Exchange Limited, Delhi Stock Exchange and Uttar Pradesh Stock Exchange Limited. The company is regular in payment of listing fee.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

ACKNOWLEDGEMENT:

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

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

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Dated : 08.06.2013

Sd/-
Bharat Shiroya
Managing Director

Sd/-
ANIL AGRAWAL
Director

ANNEXURE - 1 TO DIRECTOR REPORT

Energy Conservation	: N.A.
Technology observation	: N.A.
Foreign Exchange Earnings and out go:	
Foreign exchange used	: Nil
Foreign exchange earned	: Nil

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview:

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

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognized as they have inherent ability to take quicker decisions, assume greater risks, and customize their services and charges more according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis. The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments, etc. By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc.

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

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

Business Overview:

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

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

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

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

PRODUCTS & SERVICES

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

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