

COMFORT INTECH LIMITED



SEVENTH ANNUAL REPORT & ACCOUNTS
2000-2001



COMFORT INTECH LIMITED

Regd. Office:

- 106, Avkar, Lagani Nagar.
Kalaria, DAMAN - 396210 (U.T)

Visit us at :

www.comfortintech.com
Email: comfortin@vsnl.com

Corporate Office:

- 228, Nataraj Market,
S.V.Road, Malad (West)
Mumbai - 400064.

Board of Directors:

Shri Anil Agrawal	<i>Chairman</i>
Shri Janak Mehta	<i>Director</i>
Shri Bharat Shiroya	<i>Executive Director</i>

Divisions:

- **AIIT.**
(Software Education & Training Division)
226, Nataraj Market,
S.V. Road, Malad (West),
Mumbai - 400064.
- **Share Department.**
At Corporate Office

Auditor:

Messers, Ashok & Ashok
Chartered Account
26, Kakad Corner,
Hotel Sun-N-Sheel,
Kondivita Lane,
Andheri (East),
Mumbai - 400059.

Overseas Consultant Advisor

Mr. Jholl H.S.,
Barrister & Solicitors.
P O Box 3054,
Moorabbin East VIC 3189
Australia.

Bankers :

The Saraswat Co-op. Bank Ltd.
HDFC Bank Limited.
Bank of India.

CONTENTS:

1. Notice	.....	3
2. Director	.....	4
3. Auditor Report	.....	5-6
4. Balance Sheet	.....	7
5. Profit & Loss Account	.....	8
6. Schedules to Account	.....	9-17
7. Cash Flow Statement	.....	18
8. Attendance Slip & Proxy Form	.....

SEVENTH ANNUAL REPORT & ACCOUNTS 2000-2001

NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED held at 106, Avkar, Algani Nagar, Kalaria, Daman (U.T.) 396210 on Saturday, The 29th September 2001 at 4.30p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2001 and the profit & loss Account of the Company for the year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri Anil Agrawal, who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint M/s. ASHOK & ASHOK, Chartered Accountants, as the auditors of the company and fix their remuneration.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

***RESOLVED THAT** the salary and Conveyance Allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:

- 1) Salary From Rs. 72,000/- to Rs. 78,000/- per annum.
- 2) Conveyance Allowance Rs. 6,000/- as per last year.

Other benefits as per the rules of the Company.

FOR AND ON BEHALF OF THE BOARD

ANIL AGRAWAL
Chairman

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 Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2001 to 28th September 2001 both days inclusive.
4. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
5. Company's shares are traded in Dematerialised format only.
6. AS A MEASURE OF ECONOMY, COPIES OF THE ANNUAL REPORT WILL NOT BE DISTRIBUTED AT THE GENERAL MEETING, MEMBERS ARE THEREFORE REQUESTED TO BRING THEIR COPIES OF ANNUAL REPORT AT THE MEETING.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The relative Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956, in respect of item no. 4 is as follows:

Item No. 4

Mr. BHARAT SHIROYA was appointed as Executive Director of the Company in the Third Annual General Meeting.

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

1. Salary From Rs. 72,000/- to Rs. 78,000/- per annum.
2. Conveyance Allowance Rs. 6,000/- as per last year.

Other benefits as per the rules of the Company.

No Directors except Mr. Bharat Shiroya is concerned and/or interested in the aforesaid resolution.

FOR AND ON BEHALF OF THE BOARD

ANIL AGRAWAL
Chairman

Mumbai, 4th September' 2001,

Registered Officer:
106, Avkar, Algani Nagar,
Kalaria, DAMAN (U.T.) 396210



COMFORT INTECH LIMITED

DIRECTOR'S REPORT

To the Member of the Company,

Your Directors have pleasure in presenting the Seventh Annual Report on the business and operation of your Company with Audited Accounts for the year ended 31st March, 2001. The financial results of the Company are summarised below:

1. FINANCIAL RESULTS :

	(Rs in Lacs)	
	Year ended 31st March 2001	Year ended 31st March 2000
Income from Software Operations	2.07	172.21
Income From Other Activities	457.94	924.64
Total Income	460.01	1096.85
Profit/Loss for the year before Depreciation & Tax	(51.35)	68.05
Less : Depreciation	1.94	0.73
: Provision for taxation/other adjustment	---	0.89
Balance available for appropriation	(53.29)	68.21

2. DIVIDEND :

In view of the loss incurred, your Directors express their inability to recommended any dividend this year.

3. REVIEW OF OPERATIONS:

The year under consideration witnessed world wide recession which was reflected in global slump in share prices, particularly of companies in the information technology field. Our country and your company were no exceptions to the recession. Your directors have taken appropriate steps to minimize the impact of the slump on the bottom line of your company. Your Director has also changed the method of valuation of closing stock from cost to cost or market value whichever is lower as per NBFC Guideline, due to change in valuation method, loss has been increased by Rs. 4919205/-.

With this in view, your directors have opted the strategy of consolidation rather than reckless progress. It has been decided by the board to keep the expenses in check and as such new centres for education shall be opened only after fully utilizing the existing centre's capacity.

4. OUTLOOK

Company's diversified business mix and our relation with our business associates entitle us to be optimistic regarding the Company's future.

5. DIRECTORS:

Shri J.M. Agrawal has been a director of the Company since 1994 and has been a source of inspiration for the board. He has resigned due to his advanced age. The board puts on record its appreciation for the guidance given by Shri J.M. Agarwal.

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

6. 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 judgements 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 2000-2001 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.

7. COMMENTS ON AUDITOR'S REPORT:

As regards comment in Auditor's Report contained in para 2 (e), it is stated that Shri J.M. Agrawal has already resigned from the directorship of the Company.

As regards para 4 of the annexure to the Auditors' Report, the change in method of stock valuation become necessary in view of the directions, issued by the Reserve Bank of India.

As regards para 10 of the annexure to the Auditors' Report, the directors are looking after the day to day business of the Company and expenditure on formal internal audit is not warranted.

8. AUDITORS:

M/s. ASHOK & ASHOK, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as Auditors of the Company. They have furnished the necessary certificate of their eligibility under section 224 (1) of the Companies Act, 1956.

9. ACKNOWLEDGEMENT:

Your Directors 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

ANIL AGRAWAL
CHAIRMAN

SEVENTH ANNUAL REPORT & ACCOUNTS 2000-2001

AUDITOR'S REPORT

To,
The Member of
COMFORT INTECH LIMITED

We have audited the attached Balance Sheet of Comfort Intech Limited, as at 31st March, 2001 and the Profit & Loss Account annexed thereto for the year ended on that date. We report as follows:

1. As required by the manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 277 (4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the said order,
2. Further to our comments in the Annexure referred to in Paragraph (1) above :-
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of material our audit :
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of these books:
 - (c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account:
 - (d) In our opinion Balance Sheet and Profit & Loss Account comply with the requirements of Accounting Standards referred to in Section 211 (3C) of the companies Act 1956.
 - (e) On the basis of written representations received from the Directors of the Company, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2001 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956. However, we are unable to comment on the disqualification or otherwise of Shri J.M. Agrawal, as information in his regard was not available with the company.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of account read together with the 'Notes' appearing thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:-
 - (a) In the case of balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and
 - (b) In the Case of Profit & Loss Account, of the Loss of the Company for the Year ended on that date.

For ASHOK & ASHOK
Chartered Accountants

(ASHOK BANSAL)
Partner

Mumbai, 4th September 2001.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date on the Statements of Account of COMFORT INTECH LIMITED as at and for the year ended 31st March 2001).

1. The company has maintained proper records of Fixed Assets showing full particulars including quantitative details and locations thereof. As informed to us, the Fixed Assets of the Company have been physically verified by the Management during the year and no discrepancies between the book records and physical inventory have been noticed.
2. None of the Fixed Assets has been revalued during the year.
3. As informed to us, the stock of shares has been physically verified by the Management at reasonable intervals and in our opinion and according to the information and explanation given to us the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. No discrepancies have been noticed by the management on such physical verification.
4. In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles. The Company has changed the basis of valuation of shares from 'at cost' to 'lower of cost of market value'. Due to the change, the loss has been overstated by Rs. 49,19,205/- and the inventory of share has been understated by like amount.
5. The Company has not taken any loan, secured or unsecured from Companies, Firms or other parties listed in the registers maintained under Section 301 and 370 (1-C) of the companies Act, 1956.
6. In respect of loans and advances in the nature of loans given by the company, repayment of principal and interest thereon has generally been made by the parties on due dates, wherever specified.
7. In case of loans & advances in the nature of loans granted by the Company to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956, except as stated in note B-5(i) & (ii), the other terms and condition of such loans are not prima-facie prejudicial to the interest of the Company.
8. According to the information and explanations given to us, no transactions of purchase of goods and materials and sales of goods, material and services were made in pursuance of contracts or arrangements entered in the register maintained U/s. 301 of the Companies Act, 1956 and aggregating to Rs. 50,000/- or more during the year in respect of each party.
9. As informed during the year, the Company has not accepted any deposit from the public within purview of Section 58A of the Companies Act, 1956.
10. The Company does not have any formal internal audit system
11. As informed, the Company has not been prescribed to maintain cost records under section 209(1) (d) of the Companies Act, 1956.