

COMFORT INTECH LIMITED

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For COMFORT INTECH LIMITED.


DIRECTOR

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NINETH ANNUAL REPORT & ACCOUNTS
2002 - 2003



COMFORT INTECH LIMITED

Regd. Office :

106, Avkar, Algani Nagar,
Kalaria, DAMAN - 396 210 (U.T.)

Corporate Office :

228, Nataraj Market,
S. V. Road, Malad (West),
Mumbai - 400 064.

Share Department :

Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

Email : comfortin@vsnl.com

Board of Directors:

Shri Anil Agrawal	Chairman
Shri Janak Mehta	Director
Shri Bharat Shiroya	Executive Director
Smt. Annu Agrawal	Director

Auditor :

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

Bankers :

The Saraswat Co-Op. Bank Ltd.
Bank of America.
Bank of India.

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NOTICE

NOTICE is hereby given that the NINETH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at 106, Avkar, Aigani Nagar, Kalaria, DAMAN (U.T.) 396210, on Saturday, 16th August, 2003 at 4.30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2003 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 Bharat Shiroya who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Messrs 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. 84,000/- to Rs. 96,000/- per annum.

2) Conveyance Allowance Rs. 6,000/- as per last year.

Other benefits as per the rules of the Company.

5. To Consider and, if thought fit, to pass the resolution which will be proposed as special resolution :
"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contract (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modifications(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 Director of the company. Consent is hereby accorded to the Board of Directors to the company's Ordinary (Equity) Shares from the Madhya Pradesh Stock Exchange Limited.

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FOR AND ON BEHALF OF THE BOARD

ANIL AGRAWAL
Chairman



COMFORT INTECH LIMITED

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 13th August, 2003 to 16th August, 2003 both days inclusive.
4. Members are requested to notify immediately changes in their respective address, if any, to the Company's Office quoting their Folio No.
5. Company's shares are traded in Dematerialized 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.

As per the recent Delisting of Securities Guidelines, 2003 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 Madhya Pradesh Stock Exchange, provided the Ordinary (Equity) Shares of the company continue to be listed at BSE. The proposed voluntary delisting of the company's Ordinary (Equity) Shares from the Madhya Pradesh Stock Exchange will, apart from the saving resulting from the non payment of annual listing fees, also reduce a lot of administrative work. The delisting will not adversely affect any investors including the Shareholders located in the regions of Madhya Pradesh Stock Exchange. Pursuant to the guidelines issued by SEBI on voluntary delisting by companies of their securities from the Stock Exchanges, it is now proposed to seek the Shareholders' approval by way of a Special Resolution for voluntary delisting the company's Ordinary (Equity) Shares from the Madhya Pradesh Stock Exchange.

The Directors recommend the passing of the resolution at Item No. 5 as a Special Resolution. None of the Directors of the Company is concerned or interested in this item of business.

FOR AND ON BEHALF OF THE BOARD

ANIL AGRAWAL
Chairman

MUMBAI, 28th June, 2003

ANNEXURE TO THE NOTICE :

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

The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in aspect of item no 4 & 5 are 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. 84,000/- to Rs. 96,000/- 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 are concerned and/or interested in the aforesaid resolution.

Item no 5.

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

1. The Stock Exchange, Mumbai (BSE).
2. Jaipur Stock Exchange Limited.
3. Madhya Pradesh Stock Exchange Limited.

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 centres 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 Madhya Pradesh Stock Exchange 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.

Registered Office :
108, Avkar, Alganj Nagar,
Kalaria, DAMAN (U.T.) 396210

NINETH ANNUAL REPORT & ACCOUNTS 2002 - 2003

DIRECTOR'S REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operation of your Company with Audited Accounts for the year ended 31st March, 2003. The financial results of the Company are summarised below :

1. FINANCIAL RESULTS :

	(Rs in Lacs)	
	Year ended 31st March 2003	Year ended 31st March 2002
Income from Operations	201.84	149.99
Profit (Loss) for the year before Depreciation & Tax	5.19	10.78
Less : Depreciation	1.95	1.92
Provision for Taxation (Including deferred Taxation)	1.83	2.39
Balance available for appropriation	1.41	6.47

2. DIVIDEND :

In view of the smallness of the profits your Directors express their inability to recommend any dividend this year.

3. REVIEW OF OPERATIONS :

The gross income from operations has recorded a substantial increase in the year under reference. Your directors hope to translate the increase into increased profits in the coming year.

4. OUTLOOK :

Company's diversified business mix and our relations with our business associates entitle us to be optimistic regarding the Company's future. The Company has received certificate from RBI as, Non Banking Finance Company.

5. VOLUNTARY DELISTING OF SHARES

Your company has proposed Voluntary Delisting of its Equity Shares from Madhya Pradesh Stock Exchange. In view of recent SEBI (Delisting of Securities) Guidelines, 2003, an EXIT opportunity need not be given in cases where securities continue to be listed in a stock Exchange having nationwide terminals. Your company's shares are listed and traded with Stock Exchange having nation wide terminals. Your company's shares are listed and traded with Stock Exchange, Mumbai (BSE). Hence, your Directors propose to seek approval from members by way of Special Resolution pursuant to Clause 6 of the SEBI (Delisting of Securities) Guideline, 2003.

Details of the fact of Delisting from these Stock Exchange together with a statement of reasons and justification thereof, has been given in Explanatory statement to the Item No. 5 of the Notice of Annual General Meeting of even date.

6. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the

Articles of Association, Shri Bharat Shiroya retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

7. DIRECTORS RESPONSIBILITY STATEMENT :

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made 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 2002-2003 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

8. COMMENTS ON AUDITOR'S REPORT :

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

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 system is not warranted.

9. AUDITORS :

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

10. 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

Mumbai, 28th June, 2003



COMFORT INTECH LIMITED

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity.

Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

BOARD OF DIRECTORS

The Board comprises the following 4 members

Mr. Anil Agrawal	- Chairman (Non-executive)
Mrs. Annu Agrawal	- Non-executive Director
Mr. Bharat Shiroya	- Executive Director
Mr. Janak Mehta	- Non-executive Director

Attendance at Board Meetings :

During the year, the Board met seven times. Dates of the meetings and attendance there at are as under :

Date of Meeting	Directors Present	Absent
04.04.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta	Mrs. Annu Agrawal
29.04.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta	Mrs. Annu Agrawal
28.06.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta Mrs. Annu Agrawal	
31.07.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta Mrs. Annu Agrawal	
16.08.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta Mrs. Annu Agrawal	
31.10.2002	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta Mrs. Annu Agrawal	
31.01.2003	Mr. Anil Agrawal Mr. Bharat Shiroya Mr. Janak Mehta Mrs. Annu Agrawal	

AUDIT COMMITTEE :

The Audit Committee, comprises of three Non-Executive Directors, namely Mr. Anil Agrawal (Chairman of the Committee), Mr. Janak Mehta, & Mrs. Annu Agrawal.

The brief terms of reference of the Audit Committee include -

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of internal control systems.
- Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

The Committee has met three times during the financial year ended 31st March, 2003 i.e. on 25th June 2002, 30th October 2002, 31st January 2003. All the committee members were present at all the meetings.

REMUNERATION TO DIRECTORS :

The Company has not set up a Remuneration Committee. Executive Director of the Company Mr. Bharat Shiroya gets a Salary of Rs.84,000/- per annum & Allowances of Rs.6,000/- p.a.

No remuneration is paid to non-executive directors.

SHAREHOLDER'S COMMITTEE :

The Share Transfer-cum-Investors Grievances Committee comprises of three Directors namely Mr. Anil Agrawal, Mr. Bharat Shiroya, and Mr. Janak Mehta.

The committee, in addition to considering share transfer matters, oversees redressal of shareholders and investors complaints/grievances and recommends measures to improve the level of investors' services.

The committee, normally meets once in a month as required, and there were ten meetings during the year.

There are no complaints received from shareholders during the year and no complaint was outstanding as on 31st March, 2003.

GENERAL BODY MEETINGS :

The last three Annual General Meetings of the Company were held as under :

YEAR	LOCATION	DATE	TIME
1999-2000	106, Avkar, Daman.	29th JULY 2000.	4.30 P.M.
2000-2001	106, Avkar, Daman.	29th SEP, 2001.	4.30 P.M.
2001-2002	106, Avkar, Daman.	21st SEP, 2002.	4.30 P.M.

During the year ended 31st March, 2003, there have been no resolutions passed by the Company's shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

ATTENDANCE AT THE GENERAL MEETINGS :

All the directors were present at the general meetings.