

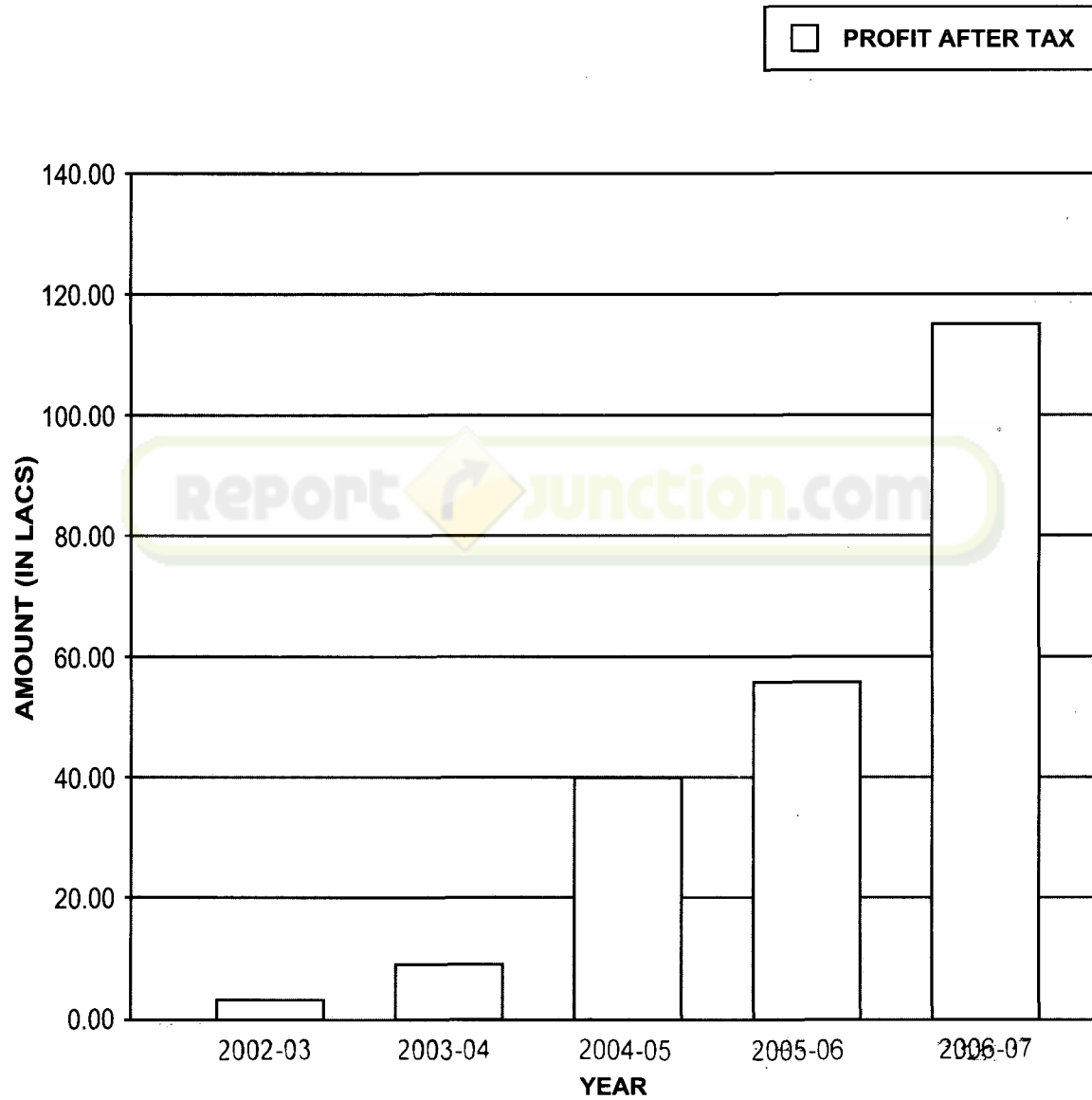
# ANNUAL REPORT

## 2 0 0 6 - 2 0 0 7



COMFORT INTECH LIMITED

## PERFORMANCE INDICATOR



**COMFORT INTECH LIMITED**

THIRTEENTH ANNUAL REPORT &amp; ACCOUNTS 2006 - 2007

**COMFORT INTECH LIMITED****BOARD OF DIRECTORS :**

Shri. Anil Agrawal	Chairman
Shri. Bharat Shiroya	Executive Director
Shri. Annu Agrawal	Director
Shri. Jugal Thacker	Director
Shri. Anand Agarwal	Director
Shri. Janak Mehta	Director

**COMPANY SECRETARY :**

Rama Devi Gundeti

**AUDITOR :**

M/s. Bansal Bansal & Co.  
Chartered Accountants,  
1st Floor, Office No. 152,  
Sanjay Bldg. No. 6, Mittal Indl. Estate,  
Andheri-Kurla Road, Andheri (East),  
Mumbai – 400 059.

**REGISTRAR & TRANSFER AGENTS :**

Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai – 72.

**REGISTERED OFFICE:**

106, Avkar, Algani Nagar,  
Kalaria, DAMAN – 369 210 (U.T.)

**CORPORATE OFFICE:**

301, A-Wing, 3<sup>rd</sup> Floor,  
Hetal Arch, Opp. Natraj Market,  
S. V. Road, Malad (West),  
Mumbai – 400 064.  
Email : comfortin@vsnl.com  
Website: www.comfortintech.com

**BANKERS :**

HDFC Bank Ltd.  
Union Bank of India  
The Saraswat Co. Op. Bank Ltd.  
The Malad Sahakari Bank Ltd.  
The Bank of Rajasthan Ltd.

**CONTENTS :**

1. Notice .....	2 - 4
2. Directors' Report .....	5 - 7
3. Management Discussion and Analysis Report .....	8 - 9
4. Corporate Governace Report .....	10 - 15
5. Auditors' Report .....	16 - 18
6. Balance Sheet .....	19
7. Profit & Loss Account .....	20
8. Schedules to Accounts .....	21 - 32
9. Balance Sheet Abstract and Company's General Profile .....	33
10. Cash Flow Statement .....	34
11. Additional Schedule to Balance Sheet .....	35 - 37

**NOTICE**

**NOTICE** is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of **COMFORT INTECH LIMITED** will be held at Hotel Miramar, Devka Beach, Nani Daman - 396 210 (U.T of DAMAN and DIU) on Saturday, 18<sup>th</sup> August, 2007 at 4.00 P.M to transact the following business:

**ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2007 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. Janak Mehta 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. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Salary and other allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:

- 1) Salary from Rs. 1,50,000/- to Rs. 3,00,000/- per annum.

Other benefits as per the rules of the Company."

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

**"RESOLVED THAT** pursuant to the provision of Section 17(2) of the Companies Act, 1956 and subject to approval of the members and confirmation of the CLB/Central Government, the registered office of the Company be shifted from Daman a union territory to Mumbai in the State of Maharashtra."

**"FURTHER RESOLVED THAT** the Clause II of Memorandum of Association of the Company relating to Registered Office of the Company be and the same is hereby substituted by the following :

II. The Registered Office of the Company will be in the State of Maharashtra

**"FURTHER RESOLVED THAT** Mr. Bharat Shiroya, Executive Director and Mrs. Ramadevi Gundeti, Company Secretary be and are hereby severally authorised to move a petition before Company Law Board for its confirmation of such alteration and to take all such action as may be required in connection with the said petition and matters incidental there to, including appointment of advocates and/or Counsel."

**By Order of the Board**

Place : Mumbai

Dated : 28-06-2007

**RAMA DEVI GUNDETI**

**Company Secretary**

**COMFORT INTECH LIMITED****THIRTEENTH ANNUAL REPORT & ACCOUNTS 2006 - 2007****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 4,5 and 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> August 2007 to 18<sup>th</sup> August 2007 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.

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

The following Explanatory Statement sets out the material facts relating to the business under items 4, 5 and 6 of the accompanying Notice:

**Item No. 4**

M/s. Bansal Bansal & Co., Chartered Accountant, Mumbai are reappointed as an Auditors of the Company. We have received the letter dated 30<sup>th</sup> April, 2007 from M/s. Ashok & Ashok who are the present auditors of our company that their Chartered Accountant firm is merged with the M/s. Bansal Banal & Co., Therefore their firm name is changed from M/s. Ashok & Ashok to M/s. Bansal Banal & Co., with effect from 25<sup>th</sup> May, 2007.

**Item No. 5**

Mr. **BHARAT SHIROYA** was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for the next 5 years in the meeting of the Board of Directors held on 31<sup>st</sup> October, 2002.

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

Salary from Rs.1,50,000/- to Rs. 3,00,000/- per annum.

Other benefits as per the rules of the Company.

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

Mr. Bharat Shiroya is interested in the resolution as it relates to his appointment.

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

**Item No. 6**

The Company's Registered Office is presently located at 106, Avkar, Algani Nagar, Kalaria, Daman – 396210 (U.T) a union territory of India and the Corporate Office is at A-301, Hetal Arch, S.V.Road, Mumbai - 400064.

The Company believes that no particular benefit is available to the shareholders of the company by continuing the Registered Office in Daman. By shifting the registered office to Mumbai it will result in lot of benefits to Company and to the Shareholders and apart from the saving resulting from the time and the money, it will also reduce a lot of administrative work. The shifting of Registered Office from Daman to Mumbai will not adversely affect any investors including the Shareholders located in the regions of Daman.

**COMFORT INTECH LIMITED****THIRTEENTH ANNUAL REPORT & ACCOUNTS 2006 - 2007**

---

Pursuant to the provisions of Section 17(2) of the Companies Act, 1956, it is now proposed to seek the Shareholder's approval by way of a Special Resolution for Shifting the Registered Office from Daman to Mumbai.

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

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

**By Order of the Board**

Place : Mumbai

Dated : 28.06.2007

**RAMA DEVI GUNDETI**

**Company Secretary**

**Registered Office:**

**106, Avkar, Alganani Nagar,**

**Kalaria, DAMAN (U.T.) 396210**

Report  junction.com

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

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31<sup>st</sup> March 2007. The financial results of the Company are summarised below:

**1. FINANCIAL RESULTS:****(Rs. In Lacs)**

	<b>YEARENDED 31<sup>ST</sup> MARCH 2007</b>	<b>YEARENDED 31<sup>ST</sup> MARCH 2006</b>
Income from Operations	7661.26	2830.48
<b>Profit Before Depreciation and Taxes</b>	<b>174.37</b>	<b>78.27</b>
Less: Depreciation	(4.49)	(2.07)
Less : Provision for		
(a) Income tax	(53.00)	(19.00)
(b) Deferred tax	(1.16)	(1.74)
© Fringe Benefit tax	(0.60)	(0.41)
Loss on Assets written off	(0.11)	—
<b>Profit for the Year</b>	<b>115.00</b>	<b>55.03</b>
Add: Brought forward from last year	52.95	54.12
Distributable Profits	167.95	109.15
<b>Appropriated as under :</b>		
Transfer to Special Reserve	(23.00)	(11.00)
Proposed Equity Dividend	(59.98)	(39.63)
Tax on Distributed Profits	(10.19)	(5.55)
<b>Balance Carried Forward to Balance sheet</b>	<b>74.78</b>	<b>52.95</b>

**2. DIVIDEND:**

Your directors are pleased to recommend the dividend for the financial year 2006-07 on Equity Shares of Rs.10/- each at 0.60 paise per share equivalent to 6% aggregating to Rs.59,98,142/- (Rupees Fifty Nine Lakhs Ninety Eight thousand one hundred and forty two only)

**3. OUTLOOK :**

With the availability of the funds, your company has started on the path of exponential growth. Your Company plans to retain its exposure in the capital markets as well as increase its area of activity in the finance and project finance area. Your Company also plans to enter into the business of Merchant Banking and is making necessary applications to relevant authorities for the approval.

With the initiatives being taken by your company, the Board feels confident of increasing turnover and profit substantially in the next financial year.

**4. 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.

**5. DIRECTORS:**

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

**COMFORT INTECH LIMITED**

THIRTEENTH ANNUAL REPORT &amp; ACCOUNTS 2006 - 2007

**6. 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 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 2006-2007 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.

**7. 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.

Your Company has appointed M/s. Ramanand & Associates as an Internal Auditor of the Company for the financial year 2007-08.

**8. AUDITORS:**

M/S. BANSAL BANSAL & CO., 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) (B) of the Companies Act, 1956.

**9. SHIFTING OF CORPORATE OFFICE :**

For the development in the business and to increase the operations of your company it requires large premises and due to this reason your Company's corporate office was shifted from 227-228, Natraj Market, S.V.Road, Malad (West), Mumbai - 400064 to 301, 'A' wing, Hetal Arch, Opp. Natraj Market, S.V.Road, Malad (W), Mumbai - 400064 by passing the resolution in the Board Meeting held on 16<sup>th</sup> December, 2006.

**10. EQUITY SHARES FROM MADHYA PRADESH STOCK EXCHANGE LTD HAS BEEN DELISTED:**

Your Company has already intimated you regarding its decision for delisting the Equity Shares from the Madhya Pradesh Stock Exchange Ltd. and accordingly your company has passed the special resolution in the last Annual General Meeting for the delisting of the shares from the Madhya Pradesh Stock Exchange Ltd and now your company has got the approval from the above said stock exchange for delisting of the shares with effect from 24<sup>th</sup> March 2007 as per the letter no. MPSEL/SEC/599/06/2007-08 dated 18<sup>th</sup> June 2007.

**11. FORFEITURE OF THE EQUITY SHARES :**

As you already know regarding the increase in the Capital of your company by way of Rights Issue made in the year 2005. But your company has not received total allotment money even after the repeated notices to the shareholders who are not paid the call money after giving efficient time and three remainders and after duly complied with all the provisions contained in the company's Memorandum & Articles of Association and the Companies Act, 1956 relating to forfeiture of the shares your company has forfeited 3346 Equity Shares @ Rs. 10/- each and your company has got the approval from the Bombay Stock Exchange Limited for the forfeiture on 22<sup>nd</sup> March, 2007.



**COMFORT INTECH LIMITED****THIRTEENTH ANNUAL REPORT & ACCOUNTS 2006 - 2007****12. 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.

Place : Mumbai  
Dated: 28-06-2007

**FOR AND ON BEHALF OF THE BOARD**

**ANIL AGRAWAL**  
**CHAIRMAN**

**ANNEXURE TO DIRECTORS' REPORT:**

Information Under Section 217(1)(e) of the Companies Act, 1956, Read with companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 forming part of the Directors' Report for the year ended, 31<sup>st</sup> March, 2007.

**FOREIGN EXCHANGE EARNINGS AND OUT GO:**

	<u>Amount in Rs.</u>
Foreign exchange used	95,053
Foreign exchange earned	Nil

## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Overview:

Non Banking Finance companies are one of major institutional providers of credit in India. NBFCs are today present in almost all the segments of financial sector. NBFCs has displayed a great flexibility in the competing fields of retail financing, vehicle financing, hire purchase, lease, personal loans, working capital loans, consumer loans, housing loans, loans against shares, investments, distribution of financial products, etc. More often than not, NBFCs are present where the risk is higher (and hence the returns), reach is required (strong last-mile network), recovery has to be the focus area, loan-ticket size is small, appraisal & disbursement has to be speedy and flexibility in terms of loan size and tenor is required.

NBFCs are now recognized as complementary to the banking system capable of absorbing shocks and spreading risks at times of financial distress. As compared to many scheduled and co-operative banks, Non Banking Financial Companies have ability to take quicker decisions and customize their services & charges according to need of clients.

New opportunities like home equity, credit cards, personal finance, etc, are expected to take NBFCs to a new level. Growth in all these segments is sustainable at a higher rate than before given the low penetration and changing demography in the country.

### Business Overview:

The Company is presently engaged in business of providing advisory services, leasing & bill discounting, syndicating loan proposals, providing retail finance for consumer durable goods, providing hire purchase & installment credit of movable & immovable properties to first generation entrepreneurs to create a sound & formidable entrepreneurship base. The company is engaged arrangement of letter of credit to various entrepreneurs for import of machineries, toolings etc in order to enable them to flourish for their industries.

The company continued the focus on operation of financing to diverse customers regarding personal loans as well as loans to firms in order to assist them in operating their business smoothly and to assist them to overcome from the bottlenecks of working capital. Company feels this segment give mounting yield in terms of high interest rates. Though for operation under this segment needs a cautious analysis of borrowers but as company is currently operating in this segment and its management is having vast experience in borrower analysis and competent enough to overcome this dilemma.

The company has also continued the focus on trading in shares & securities, and also engaged in arbitrage business of stock market including derivatives segment as well as commodities market. Company is commanding a good premium from this segment as well.

Company is looking forward to explore various sources to expanding the operations of company and establishing a better image in the finance industry.

### Objects & Business Strategy:

For past couple of years company is growing at an accelerated pace and getting continuous inquiry from a lot of customers for increased finance. This has led to company to explore various sources to meet this requirement of finance so company has decided to accumulate the funds by means of accepting and holding public deposits and for this purpose company has recently made an application to Reserve Bank of India, Ahmedabad, for conversion of company registration from Category B (Non-Deposit taking) to Category A (Deposit taking) and company is looking forward to appoint any approved Credit Rating Agency to rate the investments and advances of the company.

Looking at the growth and economy of public issues, the management of company has decided to expand its business by entering in to merchant banking activities. For that company will shortly apply to Securities & Exchange Board of India for granting certificate of registration to carry on merchant banking activities.