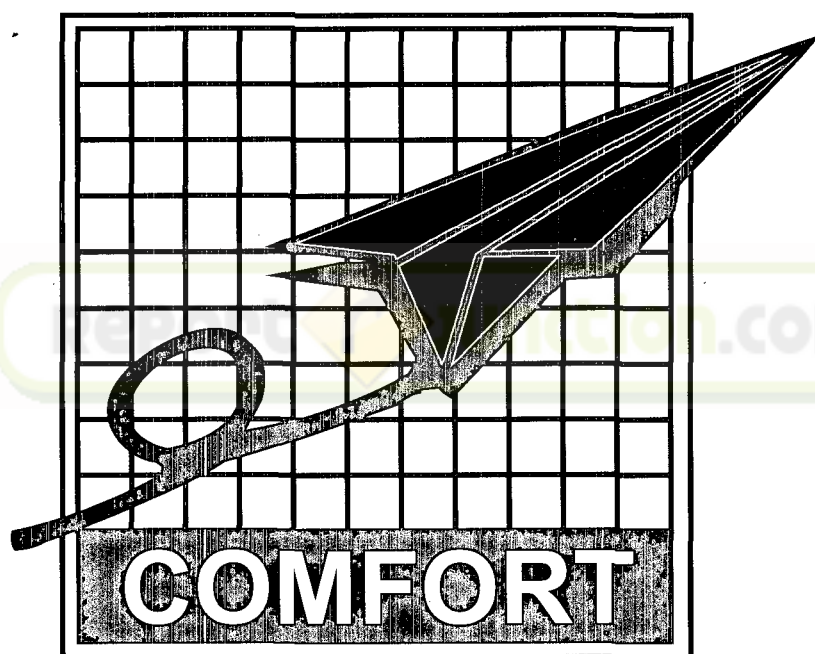


ANNUAL REPORT

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COMFORT INTECH LIMITED

COMFORT INTECH LIMITED**BOARD OF DIRECTORS :**

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

REGISTERED OFFICE :

A-301, 3rd Floor, Hetal Arch,
Opp. Natraj Market, S.V. Road,
Malad (W), Mumbai – 400 064
Email : comfortin@vsnl.com;
info@comfortintech.com
Website : www.comfortintech.com

COMPANY SECRETARY :

Rama Devi Gundeti

BANKERS :

Union Bank of India
HDFC Bank Ltd.

AUDITOR :

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

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NOTICE

NOTICE is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of **COMFORT INTECH LIMITED** will be held at Goregaon Sports Club, Link Road, Malad (W), Mumbai-400 064 on Saturday, 26th July, 2008 at 4.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2008 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. Jugal C Thacker 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. 3,00,000/- to Rs.4,20,000/- 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 Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to any approval, consent, permission and / or sanction of the appropriate authorities, (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called '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 power conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot, from time to time in one or more tranches, 15,00,000 Warrants entitling to apply for equity shares, to be subscribed by

the investors who have intended to subscribe the warrants of unsubscribed portion of 15,00,000 warrants out of the preferential issue of 60,00,000 warrants approved in the Extra ordinary general meeting of Members held on 17th May 2008 provided that the price of the equity shares so issued shall not be less than Rs. 17.11 (including a premium of Rs. 7.11) per equity share of Rs.10 each being the price which was calculated with respect to the Relevant Date i.e. 17th April 2008 pertaining of EGM held on 17th May 2008 as prescribed under the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 including any statutory modification or re-enactment thereof for the time being in force.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion 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 given their approval thereto expressly by the authority of this resolution.

By Order of the Board

Sd/-

RAMA DEVI GUNDETI
Company Secretary

Place : Mumbai
Dated : 30.06.2008

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 and 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July 2008 to 26th July 2008 (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 5 and 6 of the accompanying Notice:

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 15th October, 2007.

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

Salary from Rs.3,00,000/- to Rs. 4,20,000/- 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 shareholders of company in their extra ordinary general meeting held on 17th May 2008 has approved the allotment of 60,00,000 warrants on preferential basis however later on 3 (three) allottees of 15,00,000 warrants have expressed their unwillingness to subscribe the warrants due to their financial constraints so Board has decided to allot the unsubscribed portion of 15,00,000 warrants to other interested shortlisted investors hence the board of directors has decided to recommend the resolution for your approval in order to commit the objects of thus preferential offer:

The details of the issue and other particulars of this preferential allotment would be same as of the preferential allotment approved by members of the company in their extra ordinary meeting held on 17th May 2008.

Particulars of Subscribers: Details of the subscribers of this preferential issue are given as below:

Sr. No.	Name of Proposed Subscriber	Category	Number of Equity shares /warrants
1.	Pankaj Shantilal Parikh	Individual Investor	5,00,000
2.	Mohammed Ali Gheewala	Individual Investor	1,10,000
3	Gulamali E. Gheewala	Individual Investor	1,45,000
4.	Madina G Gheewala	Individual Investor	1,45,000
5.	Kirtikumar N Mehta	Individual Investor	1,00,000
6.	Jyoti K Mehta	Individual Investor	1,00,000
7.	Jatin H Mehta	Individual Investor	1,00,000
8.	Kalpesh N Mehta	Individual Investor	1,00,000
9.	Brijesh H Mehta	Individual Investor	1,00,000
10.	Darshan M. Doshi	Individual Investor	1,00,000

Your Directors recommend the above Resolution for your approval.

No directors of the company are interested in the said resolution.

By Order of the Board

Place : Mumbai
Dated : 30.06.2008

Sd/-
RAMA DEVI GUNDETI
Company Secretary

Registered Office:
A-301, Hetal Arch,
S.V.Road, Malad (W)
Mumbai - 400064

DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Fourteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2008. The financial results of the Company are summarised below:

1. FINANCIAL RESULTS:

(Rs. In

Lacs)

	YEAR ENDED 31ST MARCH 2008	YEAR ENDED 31ST MARCH 2007
Income from Operations	5514.00	7661.26
Profit Before Depreciation and Taxes	134.21	174.37
Less: Depreciation	(6.99)	(4.49)
Less : Provision for taxes		
(a) Income tax	(36.50)	(53.00)
(b) Deferred tax	(0.63)	(1.16)
(c) Fringe Benefit tax	(0.43)	(0.60)
Income Tax paid of Earlier years	(0.20)	-
Loss on Assets written off	-	(0.11)
Profit for the Year	89.45	115.00
Add: Brought forward from last year	74.78	52.95
Distributable Profits	164.23	167.95
Appropriated as under :		
Transfer to Special Reserve	(17.89)	(23.00)
Proposed Equity Dividend	(49.98)	(59.98)
Tax on Distributed Profits	(8.49)	(10.19)
Balance Carried Forward to Balance sheet	87.86	74.78

2. DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2007-08 on Equity Shares of Rs.10/- each at 0.50 paise per share equivalent to 5% aggregating to Rs 49,98,452/- (Rupees Forty Nine lakhs Ninety eight thousand four hundred and fifty 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.

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 slight decrease in the current year as comparison to the previous year. Your directors are taking reasonable steps to increase the profit in the coming year.

5. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Jugal C Thacker 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:

- (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 2007-2008 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. Choudhary Mehta & Co. as an Internal Auditor of the Company for the financial year 2008-09.

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. INCREASE IN AUTHORISED CAPITAL OF THE COMPANY :

Your Company has already intimated you regarding the increase in Authorised capital of the Company from Rs. 10.5 crores to 17 crores and accordingly your approval has also taken in the general meeting held on 17th May, 2008 by passing the special resolution and now your company has got the approval for the above from Registrar of Companies.

10. SHIFTING OF REGISTERED OFFICE OF THE COMPANY :

Your Company has already intimated you regarding its decision for shifting of Registered Office from Daman & Diu, a Union territory of India to the Mumbai in the state of Maharashtra and accordingly your company has passed the special resolution in the last Annual General Meeting for the Shifting of Registered Office and now your company has got the approval for the above from the Company Law Board with effect from 23rd April 2008 as per the letter no. 350/17/CLB/WR/2008/563.

And accordingly your Company's Registered office was shifted from 106, Avkar, Algani Nagar, Kalaria, Daman – 396210 (U.T) to 301, 'A' wing, Hetal Arch, Opp. Natraj Market, S.V.Road, Malad (W), Mumbai – 400064.

11. MANAGING DIRECTOR :

As Your Company paid up capital is more than Rs. 5 crores and according to the Company Law provisions your company requires the Managing Director for the Company. Therefore the Board of Director in their meeting held on 16th April, 2008 appointed Mr. Anil B Agrawal, the promoter of your company as a Managing Director of the Company for the period of 5 years.

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: 30.06.2008

FOR AND ON BEHALF OF THE BOARD

**Sd/-
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, 31st March, 2008.

FOREIGN EXCHANGE EARNINGS AND OUT GO:

	<u>Amount in Rs.</u>
Foreign exchange used	2,25,24,900/-
Foreign exchange earned	Nil

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview:

Non Banking Finance companies are fast emerging as an important segment of Indian financial system. It is an heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making loans and advances, leasing, hire purchase, etc.. NBFCs are purveyors of credit to the sectors where credit gap exists. They advance loans to the various wholesale and retail traders, small scale industries and self-employed persons. Thus, they have broadened and diversified the range of products and services offered by a financial sector. Gradually, they are being recognized as complementary to the banking sector due to their customer oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors etc.,

The working and operations of NBFCs are regulated by the Reserve Bank of India (RBI) within the framework of the Reserve bank of India Act, 1934 and the directions issued by it under the Act.

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 in 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.

In the recent past company has taken rapid strides in improving its operational and financial performance and company is looking forward to tap emerging growth opportunities in the NBFC sector by adding various services in its cart such as margin funding, Auto Financing, Finance to qualified professionals in order to assist them to set up their ventures and overcome the bottlenecks of mounting capital investment and company is firm to occupy pride of place in the banking firmament and establishing a better image in the finance industry.