

BOARD OF DIRECTORS :

Mr. Anil B Agrawal	- Chairman & Managing Director
Mr. Bharat N Shiroya	- Executive Director
Mr. Janak G Mehta	- Director
Mr. Jugal C Thacker	- Director
Mrs. Annu Agrawal	- Director
Mr. Anand Agarwal	- Director

COMPANY SECRETARY :

Mrs. Rama Devi Gundeti

STATUTORY AUDITORS :

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

BANKERS :

Union Bank of India
Axis Bank
Punjab National Bank
IDBI Bank
HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS :

Bigshare Services Pvt. Ltd
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumbai –400 072.
Tel : 91-22-40430200
Fax :91-22-28475207
Website : www.bigshareonline.com

REGISTERED OFFICE:

106, Avkar, Algan Nagar,
Kalaria, Daman– 369 210 (U.T.)

CORPORATE OFFICE:

A-301, 3rd Floor, Hetal Arch,
S. V. Road, Malad (West),
Mumbai – 400 064.
Tel : 91-22-28449765/66
Fax: 91-22-28892527
Email : info@comfortintech.com
Website: www.comfortintech .com

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EIGHTEENTH ANNUAL GENERAL MEETING

Day and Date	Saturday, September 1, 2012
Time	4.30 P.M
Venue	Cidade De Daman (Hotel Sea View Pvt. Ltd),. Devka Beach, Nani Daman 396210 (U.T.)

NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU) on Saturday, 1st September, 2012 at 4.30 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2012 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 ₹ 7,20,000/- to ₹ 8,40,000/- 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 Ordinary Resolution:

"RESOLVED THAT the Salary and other allowances to be paid to Mr. Anil B Agrawal, Managing Director be increased as under:

Salary from ₹ 8,40,000/- to ₹ 9,00,000/- per annum.

Other benefits as per the rules of the Company."

By Order of the Board

Sd/-

RAMA DEVI GUNDETI

Company Secretary

Place : Mumbai

Dated :14.07.2012

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 28th August 2012 to 1st September 2012 (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. 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.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
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 Company Secretary at the Corporate office of the company.

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 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 ₹ 7,20,000/- to ₹ 8,40,000/- 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

Mr. ANIL B AGRAWAL was appointed as Managing Director of the Company in the Board Meeting held on 16th April, 2008 for the period of 5 years.

The main terms of appointment of Mr. Anil B Agrawal, as Managing Director are to be changed as under:

Salary from Rs. 8,40,000/- to Rs. 9,00,000/- per annum.

Other benefits as per the rules of the Company.

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

Mr. Anil B Agrawal and Mrs. Annu Agrawal (spouse of Mr. Anil Agrawal) are 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.

By Order of the Board

Sd/-

RAMA DEVI GUNDETI

Company Secretary

Place : Mumbai

Dated : 14.07.2012

Registered Office:

106, Avkar, Algani Nagar,
Kalaria, Daman - 396210

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Name	Mr. Jugal C Thacker
Age	48 years
Qualification	B.Com, FCA.
Brief Profile	Having vast experience in finance and investment Field. He has experience in debt syndication, Issue Managements, Buy-back, delisting, open offers etc.
Shareholding in the Company	Nil

DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2012. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31 ST MARCH 2012	YEAR ENDED 31 ST MARCH 2011
Income from Operations	1610.64	11818.56
Profit Before Depreciation and Taxes	303.71	189.42
Less: Depreciation	(11.23)	(8.39)
Less : Provision for		
(a) Income tax	(81.00)	(19.00)
(b) Deferred tax	(3.32)	(0.78)
Income Tax paid of Earlier years	--	(3.67)
Profit for the Year	208.16	157.58
Add: Brought forward from last year	216.60	165.15
Distributable Profits	424.76	322.73
Appropriated as under :		
Transfer to Special Reserve	(41.63)	(31.52)
Proposed Equity Dividend	(63.98)	(63.98)
Tax on Distributed Profits	(10.38)	(10.63)
Balance Carried Forward to Balance sheet	308.76	216.60

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2011-12 on Equity Shares of ₹ 1/- each at ₹ 0.02 per share equivalent to 2% aggregating to ₹ 63,98,762/- (Rupees Sixty three Lacs Ninety Eight thousand Seven Hundred and Sixty two Only)

FINANCIAL HIGHLIGHTS:

During the fiscal 2011-12, Company has grown its spectrum of financial operations and increased its advances portfolio to ₹ 8031.86 Lacs and the interest income of the Company have been stood at ₹ 983.78 Lacs which has grown multifold as compared to preceding fiscal of ₹ 659.41

During the fiscal 2012, the gross operational income of the Company stood at ₹ 1610.64 Lacs as compared to previous fiscal of ₹ 11818.56 Lacs. However profit after tax for the fiscal 2012 stood at ₹ 208.16 lacs as compared to the previous year ₹ 157.58 lacs.

Your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

The net worth of your company at the year end stands at Rs. 8928.66 Lacs which translated to a book value of ₹ 2.79 per share of face value of ₹ 1.

DIRECTORS:

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

A brief resume and other details, as stipulated under the Listing Agreement for the above director seeking re-appointment is given as Additional Information on Directors which forms part of the Notice.

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 2011-2012 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.

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 meager staff strength.

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.

Utilization of Proceeds of Rights Issue:

The statement of projected utilization of the Rights Issue proceeds as per Letter of Offer dated 27th May 2010 against actual utilization as on 31st March, 2012 is as follows:

(₹ in Lacs)

Proceeds of Rights Issue		6398.76	
Objects of the Rights Issue	Proposed Utilization of Rights Issue Proceeds	Actual Utilization of Rights Issue Proceeds 2010-11	Actual Utilization of Rights Issue Proceeds 2011-12
Capital for financing activity:-			
Margin funding, loan against shares & securities	3000	1530	782
Loan against properties	1000	440	103.04
Corporate loan, bill discounting, working capital loan	1000	1231.21	1100
Arbitrage activity	800	800*	
Acquisition of Shares of Comfort Securities Pvt Ltd	330	385	
Brand building	160	Nil	-
Rights Issue Expenses	108.76	27.51	-
Total	6398.76	4413.72	1985.04

* Signifies the Payment to Broker against bills as well as for Margin requirements.

SUBSIDIARY COMPANY :

Your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2011-12 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.

A Certificate from Statutory Auditors of the company, M/s. Bansal Bansal & Co., confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 is annexed to the report on Corporate Governance.

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:

The Equity Shares of the Company are at presently listed with the Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is regular in payment of listing fee.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2012 is annexed here to.

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 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

Sd/-

ANIL AGRAWAL

Chairman & Managing Director

Place : Mum bai

Dated: 14.07.2012

ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION : NA

TECHNOLOGY OBSERVATION : NA

FOREIGN EXCHANGE EARNINGS AND OUT GO :

Amount in ₹

Foreign exchange used 7,38,123/-

Foreign exchange earned 12,00,585/-

MANAGEMENT DISCUSSION & ANALYSIS

ABOUT THE INDUSTRY:

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.

An Overview of Regulation of NBFCs

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies.

(1) Mission

To ensure that:

- the financial companies function on healthy lines,
- these companies function in consonance with the monetary policy framework, so that their functioning does not lead to systemic aberrations,
- the quality of surveillance and supervision exercised by the RBI over the NBFCs keeps pace with the developments in this sector.
- comprehensive regulation and supervision of Asset liability and risk management system for NBFCs,

(2) Amendments to the Reserve Bank of India (RBI) Act, 1934

RBI Act was amended in January 1997 providing for, inter alia.

- Entry norms for NBFCs and prohibition of deposit acceptance (save to the extent permitted under the Act) by unincorporated bodies engaged in financial business,
- Compulsory registration, maintenance of liquid assets and creation of reserve fund,
- Power of the RBI to issue directions to an NBFC or to the NBFCs in general or to a class of NBFCs.
- Comprehensive regulation and Supervision of deposit taking NBFCs and limited supervision over those not accepting public deposits.



(3) Basic Structure of Regulatory and Supervisory Framework

- Prescription of prudential norms akin to those applicable to banks,
- Submission of periodical returns for the purpose of off-site surveillance,
- Supervisory framework comprising (a) on-site inspection (CAMELS pattern) (b) off-site monitoring through returns (c) market intelligence, and (d) exception reports by statutory auditors,
- Punitive action like cancellation of Certificate of Registration (CoR), prohibition from acceptance of deposits and alienation of assets, filing criminal complaints and winding up petitions in extreme cases, appointment of the RBI observers in certain cases, etc.
- Co-ordination with State Governments to curb unauthorised and fraudulent activities, training programmes for personnel of NBFCs, State Governments and Police officials.

(4) Other steps for protection of depositors' interest

- Publicity for depositors' education and awareness, workshops / seminars for trade and industry organizations, depositors' associations, chartered accountants, etc.

ABOUT THE COMFORT INTECH LIMITED:

Business Overview:

Our Company is a non deposit taking NBFC, registered with the RBI vide Registration No.B.01.00419. Our Company has been in the business of providing financial services since inception. This endeavor was initiated by Mr. Anil B. Agrawal, qualified Chartered Accountant and a first generation entrepreneur.

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.

Recently our company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

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

Products & Services:

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

- Trade Finance & Bill Discounting
- Working capital loans
- Loan against property
- Margin funding and loan against approved securities

FINANCIAL PERFORMANCE:

During the fiscal 2011-12, Company has grown its spectrum of financial operations and increased its advances portfolio to ₹ 8031.86 Lacs and the interest income of the Company have been stood at ₹ 983.78 Lacs which has grown multifold as compared to preceding fiscal of ₹ 659.41

During the fiscal 2012, the gross operational income of the Company stood at ₹ 1610.64 Lacs as compared to previous fiscal of ₹ 11818.56 Lacs. However profit after tax for the fiscal 2012 stood at ₹ 208.16 lacs as compared to the previous year ₹ 157.58 lacs.

During the year your company has incorporated a 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates on 25th January 2012.

The net worth of your company at the year end stands at Rs. 8928.66 Lacs which translated to a book value of ₹ 2.79 per share of face value of ₹ 1.

Financial Highlights:

- CIL recommended a dividend of 2% as on March 31, 2012.
- Income from operation stood at ₹ 1610.64 Lacs for fiscal 2012
- Profit Before Taxes of fiscal 2012 was ₹ 292.48 Lacs.

- Profit After Taxes of fiscal 2012 was ₹ 208.16 Lacs
- Basic Earning per share for fiscal 2012 was ₹ 0.07 per share.
- Cash & cash equivalents (including fixed deposits with banks) stood at ₹ 1225.28 Lacs as on March 31,2012
- Net Worth of company stood at ₹ 8928.66 Lacs as on March 31,2012

SWOT ANALYSIS:

Strengths:-

- Ready contacts for business development: Our Company has strong relationships with the well established business houses in India cultivated through several years of client servicing.
- Promoted and managed by qualified and experienced professionals: Our Company is promoted by Mr. Anil B. Agrawal, Chartered Accountant who has more than 20 years of experience in financial services. The board of our Company comprises of qualified professionals, experienced in the industry.
- Existing profit making & dividend paying company: Our Company is an existing Profit making and paying dividend continuously for the previous seven years .
- Support of Group Entity: Comfort Securities Limited, one of our Group Entities is in the Business of capital market services and merchant banking activities is having a clientele base of over 2000 including corporate, HNI and retail investors. We leverage the cliental base of our group entity to provide funding in the form of margin funding as well as in terms of Loan against Demat Shares.

Weakness:-

- Branding: Despite our ready contacts for business development & listing on esteemed Exchange (BSE), our company is not a well established brand among large NBFC players who have access to larger financial resources.
- Accessibility: We do not have branches on a Pan India basis, so we are not able to explore the business opportunities in those regions.

Opportunities:-

- Large market: The players in the NBFC sector still have a lot of scope to cover larger market and the rural markets are still untapped.
- Desire for status: With increased desire of individuals to improve their standard of living, the NBFC industry is getting exposed to new category of Client (Individuals) in a big way with large share of business coming from this segment apart from corporate clients.

Threats:-

- Economic Downturn: If the Economic downturn is prolonged it can reduce the financing need of people due to shrinking business opportunities.
- Private Banks: Private Banks are also working on the similar business model as the NBFCs do, thereby giving a very strong competitions to the NBFC's.
- RBI and Government restrictions: With more stringent norms governing the functioning of NBFC and certain government restrictions act as a hindrance in smooth functioning of NBFC.

FUTURE STRATEGY:

- Expansion of existing activities: - Our Company intends to expand its financial services by enhancing its focus on margin funding, loan against shares and securities, loan against properties and corporate loan, bill discounting and working capital loan.
- Financial Management/Advisory Services: - We have an in house team which has the capacity to provide services in the area of financial management/advisory services like syndication for big ticket loans from banks, project appraisals, debt restructuring and arranging non fund based limits from bank. Our Company is planning to foray into business of financial management/advisory services with the potential clients.
- Differentiated Services:-In the growing economy, the corporate clients will be requiring funds for further expansions. Our Company would be providing all diversified service portfolio under one umbrella to cater most of the customer needs and demands.