



PROSPECTUS

Fixed Price Issue

Please read Section 60B of the Companies Act, 1956

Dated 16.08.2012

COMFORT COMMOTRADE LIMITED

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. For further details in relation to the change in the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 92 of this Prospectus.

Registered Office & Corporate Office: A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai – 400 064, Tel : +91-22-2844 9765, Fax: +91-22-2889 2527

E-Mail: ipo-commotrade@comfortsecurities.co.in; Website: www.comfortcommotrade.com

Contact Person & Compliance Officer: Ms. Sonia Jain, Company Secretary & Compliance Officer;

PROMOTERS OF THE COMPANY: MR. ANIL AGRAWAL & MRS. ANNU AGRAWAL

PUBLIC ISSUE OF 60,00,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF COMFORT COMMOTRADE LIMITED ("CCL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 10/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 600.00 LACS ("THE ISSUE"), OF WHICH, 5,10,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 54,90,000 EQUITY SHARES OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 59.88% AND 54.79%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details see "Issue Related Information" beginning on page 165 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 172 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 1 (ONE) TIME THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 1 time of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis For Issue Price" beginning on page 56 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 9 of this Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated 10th August 2012 from BSE Limited for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER



VC CORPORATE ADVISORS PRIVATE LIMITED
31, Ganesh Chandra Avenue,
2nd Floor, Suite No. 2C,
Kolkata – 700 013
Tel: - (033) 2225 3940 / 4116,
Fax: (033) 2225 3941
Email: mail@vccorporate.com
Website: www.vccorporate.com
Contact Person: Mr. Anup Kumar Sharma
SEBI Regn. No: INM000011096

REGISTRAR TO THE ISSUE



SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka
Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka,
Mumbai – 400 072
Tel: (022) 6191 5402/022 6191 5404
Fax: (022) 6191 5444
E-mail: sme.ipo@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja
SEBI Regn. No: INR000001476

ISSUE PROGRAMME

ISSUE OPENS ON: SEPTEMBER 05, 2012

ISSUE CLOSES ON: SEPTEMBER 10, 2012

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**SECTION I: GENERAL
DEFINITIONS AND ABBREVIATIONS**

COMPANY RELATED/GENERAL/CONVENTIONAL TERMS

TERMS	DESCRIPTION
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company”, “CCL” “ Comfort Commotrade”	Unless the context otherwise requires, refers to Comfort Commotrade Limited a public limited company incorporated under the provisions of The Companies Act, 1956.
AOA/ Articles / Articles of Association	Articles of Association of our Company.
Auditors	M/s. Bansal Bansal & Co., the statutory auditors of our Company.
Banker to our Company	Union Bank of India , 001, Hetal Arch, A wing, S.V. Road, Opp. Natraj Market, Malad (West), Mumbai-400064
Banker to the Issue	HDFC Bank Limited, I Think Techno Campus, Level 0-3, Next to Kanjur Marg Railway Station, Kanjur Marg(E), Mumbai - 400 042
Board / Board of Directors/ Director(s)	The Board of Directors of our Company including duly constituted committee authorized to act on their behalf.
BSE	BSE Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time
Company Secretary & Compliance Officer	Ms. Sonia Jain
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 94 of this Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company.
Promoter(s)	Mr. Anil Agrawal and Mrs. Annu Agrawal.
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the promoter group of our Company and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” on page no. 104 of this Prospectus.
Registered Office of Our Company	A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai – 400 064
ROC / RoC	Registrar of Companies, Maharashtra, Mumbai, located at 100, Everest, Marine Lines, Mumbai- 400002.

ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The Issue and allotment of the Equity Shares, pursuant to the Issue by our Company to the successful applicants.
Allottee	A successful applicant to whom the Equity Shares are being/ have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to

TERMS	DESCRIPTION
	the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form.
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors.
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure–Basis of Allotment" on page 180 of the Prospectus
Designated Market Maker	Narayan Securities Limited
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Gol/ Government	Government of India
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering	Public issue of 60,00,000 Equity Shares of Rs. 10/- each of Comfort Commotrade Limited (CCL" or the "Company") for cash at a price of Rs. 10/- per share, aggregating to Rs. 600.00 Lacs
Issue Opening date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
Lead Manager/LM	Lead Manager to the Issue being VC Corporate Advisors Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	The Reserved portion of 5,10,000 Equity shares of Rs. 10/- each at Rs. 10 per Equity Share aggregating to Rs. 51,00,000/- (Rupees Fifty One Lacs Only) for Designated Market Maker in the Initial Public Issue of Comfort Commotrade Limited.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 54,90,000 Equity Shares of Rs.10/- per Equity Share aggregating to Rs. 5,49,00,000/- (Rupees Five Crores Forty Nine Lacs Only) by Comfort Commotrade Limited.
Business Day	Any day on which commercial banks in Mumbai are open for the business.
Depository Act	The Depositories Act, 1996.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, being NSDL and CDSL
Depository Participant	A depository participant as defined under the Depositories Act, 1956
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application.
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead

TERMS	DESCRIPTION
	Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof.
Escrow Bankers to the Issue / Escrow Collection Bank (s)	HDFC Bank Limited
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 10/-.
IPO	Initial Public Offering
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Public Issue Agreement	The agreement entered into on 28 th May, 2012 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue.
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII

TERMS	DESCRIPTION
	dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai- 400 072
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refund Account	The account to be opened with Refund Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund bank	HDFC Bank Limited, I Think Techno Campus, Level 0-3, Next to Kanjur Marg Railway Station, Kanjur Marg(E), Mumbai - 400 042
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SME Platform of BSE/Stock Exchange	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	VC Corporate Advisors Private Limited and Narayan Securities Limited
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company.
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

BUSINESS AND INDUSTRY RELATED TERMS

ABBREVIATION / TERM	FULL FORM / DESCRIPTION
MCX	Multi Commodity Exchange
NCDEX	National Commodity & Derivatives Exchange Limited
FMC	Forward Market Commission
SWOT	Analysis of strengths, weaknesses, opportunities and threats

ABBREVIATIONS

ABBREVIATION TERM	/	FULL FORM / DESCRIPTION
AGM		Annual General Meeting
AS		Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.		Assessment Year
B.Sc		Bachelor of Science
B.Com		Bachelor of Commerce
CAGR		Compounded Annual Growth Rate
C. A.		Chartered Accountant
CDSL		Central Depository Services (India) Limited
B.G. /LC		Bank Guarantee / Letter of Credit
C.S.		Company Secretary
CIN		Company Identification Number
DIN		Directors Identification Number
DP		Depository Participant
ECS		Electronic Clearing System
EGM / EOGM		Extra Ordinary General Meeting of the shareholders
EPS		Earnings per Equity Share
FEMA		Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FII		Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIPB		Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India.
FY / Fiscal		Financial Year
FVCI		Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP		Gross Domestic Product
GIR Number		General Index Registry Number
GoI/ Government		Government of India
HUF		Hindu Undivided Family
INR / Rs./ Rupees		Indian Rupees, the legal currency of the Republic of India
SME		Small And Medium Enterprises
M.Com		Masters of Commerce
NAV		Net Asset Value
No.		Number
NR		Non Resident
NSDL		National Securities Depository Limited
P/E Ratio		Price/Earnings Ratio
PAN		Permanent Account Number
RBI		The Reserve Bank of India
RBI Act		The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar Companies	of	The Registrar of Companies, Maharashtra, Mumbai.
RONW		Return on Net Worth.
SICA		Sick Industrial Companies (Special Provisions) Act, 1985
USD/ \$/ US\$		The United States Dollar, the legal currency of the United States of America.

CERTAIN CONVENTIONS PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is extracted from (i) the financial statements of our Company from the restated financial statements of our Company for Fiscal Years 2012, 2011, 2010, 2009 and period ended 31.03.2008 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Statutory Auditors and the SEBI Regulations and set out in the section titled — Financial Information on page 125. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from internal Company reports and Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 2 of this Prospectus.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- General economic conditions, consumer confidence in future economic conditions and political conditions, consumer debt, disposable consumer income, conditions in the housing market, consumer perceptions of personal well-being and security, fuel prices, inclement weather, interest rates, sales tax rate increases, inflation etc. and business conditions in India and other countries.
- Economic downturn in the U.S. or the EU resulting in reduction in or postponement of our customer IT spends;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in technology;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 9 of this Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and purchaser of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in the United States and other countries.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled "Our Business" on page no. 82 of this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page no. 140 respectively, of this Prospectus as well as other financial information contained herein. Additionally, our business operations could also be affected by additional factors which are not presently known to us or which we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial conditions. The following factors have been considered for determining the materiality:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors.

Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, see the chapter titled "Definitions and Abbreviations" on page no. 2 of this Prospectus.

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

INTERNAL RISK FACTORS:

1. Certain legal proceedings involving our Promoters/Promoter's Group are pending at different levels of adjudication.

There are no outstanding litigations or disputes involving our Company, which would have any financial implication on our Company. However, there are certain legal proceedings involving our Promoters/Promoter's Group pending at different levels of adjudication. The brief details of which are given as under:-

Sr. No	Case Type	Number of Cases	Amount (to the extent quantifiable) (in Rs. Lakh)
1.	Case filed by our Promoter's Group		
	Civil	1	*49.55
	Criminal	3	**103.06
	Debt Recovery Tribunal	2	427.50
2.	Case filed against our Promoter's Group		
	Civil	1	#27.58

*including interest.

**amount involved.

#excluding interest.

All these legal proceedings/claims are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. For further details please see the chapter titled "Outstanding Litigations and Material Developments" on page no. 146 of this Prospectus.

2. Downturns or disruptions in the commodity markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.

As a Commodity Broking company, our business is materially affected by conditions in the domestic and global commodity and financial markets and economic conditions in India and throughout the world. Our revenues are derived from commodity broking. Our revenue, level of operations and, consequently, our profitability are largely dependent on favourable market conditions, a conducive regulatory and political environment, investor sentiment, price levels of commodities and other factors that affect the volume of commodity trading in India and the level of interest in Indian business developments. Substantially all of our revenues in recent years have been derived from Commodity markets activities and we expect this business to continue to account for a significant portion of our revenues in the foreseeable future. Commodity and capital markets are exposed to additional risks, including liquidity, interest rate and foreign exchange related risks. Any downturn or disruption in the markets specifically would have a material adverse effect on our results of operations. Even in the absence of a market downturn, we are exposed to substantial risk of loss due to market volatility. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices. Any decline in transaction volumes would lead to a decline in our revenues received from commissions. Our results of operations would be adversely affected by any reduction in the volume or value of broking. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Performance of our capital businesses such as investment of our excess liquidity through our internal operations may be affected due to conditions in the financial markets and economic conditions. We are unable to quantify the impact of any such adverse market conditions on our business and/or financial condition.

3. Commodity futures trading may be illiquid. In addition, reduction in commodities volumes or suspensions/disruptions of market trading in the commodities markets and related futures markets may adversely affect our business.

The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity, congestion, disorderly markets, limitations on deliverable supplies, strikes by transporters, the participation of speculators, government regulation and intervention, technical and operational or system failures, nuclear accident, terrorism, riots and natural catastrophes. In addition, commodity exchanges, including the MCX, NCDEX and NMCE are relatively new and have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices, consequently affecting the value of the commodities traded and the results and operations of the Company. Further, changes in the public policy due to change in the government or a major fluctuation in the commodity supply and demand may lead to adverse changes in the guidelines and / or contract governing the commodity futures market. Also, a decline in overall volumes in commodities would affect the future growth of our revenues.

4. Our operations are significantly located in the western region and failure to expand our operations may restrict our growth and adversely affect our business

Since our incorporation we have carried our business only in the Western India and hence all our revenues are generated from operations in this region only. In the event that demand for commodity trading activities in general reduces or stops by any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected.

Geographical and functional expansion of our business domain requires knowledge of local conditions and establishment of adequate network in the operational chain. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside Western India could impact our future revenues.

5. *Increases in capital commitments in our trading and other businesses may increase the potential for significant losses.*

The trend in capital markets is towards larger and more frequent commitments of capital by financial brokerage house in many of their activities. We may be subject to increased risk as we commit greater amounts of capital to facilitate primarily client – driven business. We may enter into large transactions in which we commit our own capital as part of our trading business. The number and size of these large transactions may materially affect our results of operations in a given period. We may also incur significant losses from our trading activities due to market fluctuations and volatility from quarter to quarter. We maintain trading positions in equity markets to facilitate client trading activities and at times these positions can be large and concentrated in a single issuer. To the extent that we own assets, i.e., have long positions, a downturn in the value of those assets or in those markets could result in losses. Conversely, to the extent that we have sold assets we do not own, i.e., have short positions, an upturn in those markets could expose us to potentially unlimited losses as we attempt to cover our short position by acquiring assets in a rising market.

6. We are exposed to risks attributable to derivatives trading by clients.

We act as a trading and clearing member on the MCX and NCDEX and also as a commodity broker. Our primary business of commodity broking involves dealing in forward trading contracts on behalf of our clients and is exposed to risks involved dealing with derivative instruments, due to fluctuating market conditions. Any defaults by our clients, will adversely affect our revenue, business and results of operations.

7. *The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".*

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page no. 51 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated on page no. 54 under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated on page no. 54 under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

8. Possible Conflict of Interest with our Group Company, Luharuka Commotrade Private Ltd. may affect implementation of our business strategy.

One of our Promoters, namely, Luharuka Commotrade Private Ltd, is also authorized by its memorandum of associations to engage in businesses similar to that of our Company. Few of the constituents of our Promoter Group are also authorized by their respective memorandum of associations to engage in businesses similar to that of our Company. At present, Luharuka Commotrade Private Ltd and none of the other group companies carry on activities, which conflict with our business. However, in the future, these may venture in to the businesses similar to that of our Company. This may result in a conflict of interest with respect to business strategies of our Company. Further, neither our Promoters nor the members of our Promoter Group have undertaken to refrain from competing with our business. None of the Promoters or members of the Promoter Group is obligated to direct any opportunities in the financial services sector to us. In addition, new business opportunities may be directed to these affiliated companies instead of our Company. Hence, there will be common pursuits between us and above mentioned entities which may result in a conflict of interest with our Company which may affect our results of operations.

9. *We do not own the trademark which we are using for our business, as a result of which we may not be able to take any statutory action in the event of any infringement of the intellectual property rights by third parties.*

The trademark which we are using for our business has been registered in the name of Comfort Intech Limited under the Trademarks Act 1999 vide registration no. 1559010. Comfort Intech Limited is one of the Promoter group companies of our Company. We have entered into agreement dated 10th

April 2012 to use the trademark for a period of 5 years at a consideration of Rs. 1000 per annum. We do not enjoy the statutory protections accorded to a registered trademark owner and in case there is any infringement of intellectual property rights by third party, our company may not be able to take certain statutory action.

10. Some of the immovable properties in which we operate our offices may have irregularities, as a result of which our operations may be impaired.

Some of the immovable properties taken on lease or leave & license arrangements may not have been constructed or developed in accordance with the local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title in relation to some of our leased or licensed properties. For example, some of the agreements for such arrangements may not have been duly executed or adequately stamped or registered in the land records of the local authorities. We are not entitled to such right which a tenant may acquire under the applicable law of land on entering into the lease or leave and license agreement with third parties. We cannot assure you that we will be able to continue our use of all such properties or enforce our rights under such agreements, which may impair our operations and adversely affect our financial condition.

11. The Registered office of our Company is not owned by us and the same is on a leave and license basis.

The Registered Office of our Company is not owned by us and same has been taken on a leave & licence basis from Mrs. Annu Agrawal and Anil Agrawal HUF, persons forming part of Promoters and Promoters Group. Our Company has entered into a leave and license agreement dated 26th April 2012, and is paying rent of Rs 10,000 per month for using the said premise. The agreement is valid till 25th March 2013. The agreement is adequately stamped though not registered. In the event the arrangement is not continued or in the event more rent is charged in future, there may be disruption in our business activities and which in turn may adversely affect the profitability of our Company.

12. We have not identified any alternate source of financing the 'Objects of the Issue'. If we fail to mobilize resources as per our plans, our growth plans may be affected.

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" on page no. 51 of this Prospectus.

13. The books of our company are subject to inspection and audit by the regulatory authorities and any adverse remarks may affect our business.

Our Company is a member of MCX and NCDEX for carrying out the commodity broking business. As a member of the above regulatory authorities, our Company is governed by various rules, regulations and byelaws of these exchanges and is subject to prior approval for alteration in share capital structure and inspections / various audits undertaken from time to time. Since our inspection and audit report contain the qualifications/remarks, administrative or judicial proceedings may be initiated against us that may result in trade bans, penalties deregistration or suspension of our brokerage activities in the said segment, the suspension or disqualification of our officers or employees, or other adverse consequences.

14. Our Promoter Group Company incurred losses in the past.

Our Promoter Group Company, Comfort Capital Private Limited, Luharuka Dealers Private Limited and Comfort Fincap Limited had incurred losses in the past. The details of profit/ loss of our Promoter Group Company in last three (3) financial years is as under:

Particulars	Profit/(Loss) After Tax (Rs. in Lacs)			
	31 Mar- 12	31 Mar- 11	31 Mar- 10	31-Mar-09
Comfort Capital Private Limited	*	(1.02)	8.33	0.61
Comfort Fincap Limited	58.53	0.57	10.55	(0.16)
Luharuka Dealers Private Limited	(0.20)	-	-	-

*Audited financial statement not prepared

15. Our Company has negative Operating cash flows during FY 2011, 2009 and 2008.

Our Company has negative cash operating flows during FY 2011, 2009 and 2008. The details of the cash flow during the last five financial years are as follows:-

Particulars	(Rs in Lakh)				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
	12Months (Audited)	12Months (Audited)	12Months (Audited)	12Months (Audited)	5 Months (Audited)
Cash flow from Operating activities	61.08	(17.51)	11.02	(12.36)	(0.56)

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amount of cash flow to finance our Company's working capital and capital expenditure requirements. For further details, please refer to "Statement of Cash Flow" as stated on page no. 134 under section titled 'Financial Information' of this Prospectus.

16. Our contingent liabilities could adversely affect our financial condition.

We have not provided for certain contingent liabilities as on 31st March, 2012, which if materialize could adversely affect our financial position. Our Contingent Liabilities as on 31st March, 2012 is as follows:

Particulars	31.03.12 (Rs. In Lakhs)
Counter Guarantee provided to Union Bank of India for Bank Guarantee availed	75.00
Total	75.00

17. Non- compliance of disclosure under Chapter II of SEBI (SAST) Regulation, 1997 by one of our Promoter Group Company Comfort Fincap Limited.

Comfort Fincap Limited has not complied with regulation 6(2), 6(4) applicable as on 20.02.1997 and 8(3) of the Regulations since 1998 to 2010. SEBI may initiate suitable action against the Comfort Fincap Limited for the aforesaid non compliances.

18. We face intense competition in our businesses, which may limit our growth and prospects

Our Company faces significant competition from various companies engaged in the similar line of activities of that of our Company. In particular, we compete with other Indian and foreign commodity brokerage houses operating in the markets in which we are present. In recent years, large international banks have also entered these markets.

For further details, please refer to the para 'Competition' under the chapter titled "Our Business" on page no. 82 of the Prospectus. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price.

Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history;
- Greater brand recognition among consumers;
- Larger customer base in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

19. Material changes in the regulations that govern us could cause our business to suffer and the price of our Equity Shares to decline.

We are regulated by the Companies Act and our operational activities are subject to supervision and regulation by statutory and regulatory authorities including the FMC and Indian stock exchanges. For more information please refer the chapter titled "Regulations and Policies in India" on page no.89 of this Prospectus. In addition, we are subject to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. Any material changes in the regulations that govern us could cause our business to suffer and the price of equity shares may decline.

20. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Company's Articles of Association, regulations of our Board of Directors and Indian law govern our Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company than as a shareholder of a corporation in another jurisdiction.

21. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of Equity Shares between non-residents and residents permitted (subject to certain restrictions) and compliance with the pricing guidelines and reporting requirements specified by RBI. If the transfer of Equity Shares,

which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require an no objection/ tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

22. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all, which could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

Our growth is dependent on our having a strong balance sheet to support our activities. We may need to raise additional capital from time to time, which we may not be able to procure. We have, in the past, relied on our Promoters and Promoter Group to assist us in funding our expansion which may not necessarily be available in the future. We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internally generated cash flow, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional fund through further equity offerings in the future and any fresh issue of shares or convertible securities would dilute existing holdings. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

23. Our inability to manage growth could disrupt our business and reduce our profitability.

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new business streams. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

24. Security breaches could damage our reputation and result in a liability to us.

Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could have a security impact. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. If one or more of such events occur, this could potentially jeopardize our or our clients' confidential and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or

malfunctions in our, our clients' or third parties' operations, which could result in significant losses and/or reputational damage. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subjected to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by us.

25. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.

We are insured for a number of the risks associated with our business, in Stock brokers' indemnity policy in relation to incomplete transactions, forgery and computer crimes, among other eventualities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. For details of the insurance coverage taken by us see "Our Business" Insurance on page 84.

26. Pricing and other competitive pressures may impair the revenues and profitability of our commodity brokerage business.

We derive entire revenue from our commodity brokerage business. Along with other brokerage firms, we have experienced intense price competition in this business in recent years. In particular, the ability to execute trades electronically and through other alternative trading systems has increased the pressure on trading commissions, volume and spreads. We expect this trend toward alternative trading systems to continue. We believe we may experience competitive pressures in these and other areas as some of our competitors seek to obtain market share by competing on the basis of price. In addition, we face pressure from our major competitors, which may be better able to offer a broader range of complementary products and services to brokerage clients in order to win their trading business. As we continue to maintain our research coverage to support our client's brokerage businesses, we may be required to make substantial investments in our research capabilities. We are unable to ascertain the likely impact of such competitive pressures on our results and operations. If we are unable to compete effectively with our competitors in these areas, brokerage revenues may decline and our business, financial condition and results of operations may be adversely affected.

27. Our Promoters and Promoters Group will continue to hold a majority of our Equity Shares after the Issue and can significantly determine the outcome of shareholder voting and influence our corporate actions and our operations.

Following the completion of the Issue, our Promoters and Promoter Group will own an aggregate of 40.12 % of our issued and paid-up Equity Share capital. So long as they will hold a majority of our Equity Shares they will continue to have, considerable influence over our business and may take actions that do not reflect the will or best interests of the other shareholders and will be able to control the outcome of any proposal that can be passed with a majority shareholder vote. The Promoters have the ability to block any resolution by our shareholders, including the alterations of the Articles of Association, issuance of additional shares of capital stock, commencement of any new line of business and similar significant matters. The Promoters will be able to control most matters affecting us, including the appointment and removal of officers, our business strategies and policies, dividend payouts and capital structure and financing. The Promoter and Promoter group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our

Equity Shares. For further details, see the chapters titled “Capital Structure”, “Our History and Corporate Structure”, “Our Promoters and Promoter Group” on page nos. 39, 92 and 104 respectively of this Prospectus.

28. Our risk management policies and procedures may leave us exposed to unidentified risks or unanticipated levels of risk which could lead to material losses.

Our risk management techniques and strategies may not be fully effective in mitigating our exposure to risks and may not cover risks that we fail to identify or anticipate. Some methods of risk management are based on the use of observed historical market behaviour. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors we did not anticipate or correctly evaluate in our statistical models. Our losses could therefore be significantly greater than those which the historical measures indicate. Our more qualitative approach to managing those risks could prove insufficient, exposing us to material unanticipated losses. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will effectively and accurately record and verify this information. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and legal reporting systems. Nonetheless, the effectiveness of our ability to manage risk exposure cannot be completely or accurately predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments could have a material adverse effect on our results of operations and financial condition. The consequences of these developments could include losses due to adverse changes in inventory values, decreases in the liquidity of trading positions, higher volatility in systemic risk.

29. Our Promoters and Directors may be deemed to be interested in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or person forming part of Promoter Group, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Promoter Group. For further details, please refer to the chapters titled “Our Business - Properties” and “Our Promoters and Promoter group” “Interest for promotion of the Issuer” on page nos. 83 and 105 respectively and the chapter titled “Related Party Transactions” on page no. 124 of this Prospectus.

30. Our Company has entered into certain related party transactions.

Our Company has entered into certain transactions with related parties, including our Promoters and Promoter Group. Such transactions or any future transactions with our related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. For more details, please refer to chapter titled “Related Party Transactions” on page 124 of the Prospectus.

31. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Competition in the financial services industry for senior management and qualified employees is intense. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

32. We could be exposed to risks arising from employee and business associate misconduct and trading errors.

Misconduct by employees could include their binding us to transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful trading activities from us or the improper use of confidential information. These types of misconduct could result in business risks or losses to us including regulatory sanctions and serious harm to our reputation. Furthermore, while our business associates work under our overall supervision and control and that each of their clients are directly registered with us on a revenue sharing basis. Our Business Associates are typically managed by independent entrepreneurs and not by our employees. We have significantly less control over the activities of our business associates than our employees. The precautions we take to prevent and detect these activities may not be effective. For example, some of our clients place orders over the telephone. If employee or Business Associate performs misconduct or commits trading errors, our business operations and reputation could have a material adverse impact.

33. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will have distributable funds in future periods. The details of past dividend paid by our Company are as under:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Dividend Paid (Rs.)	2,68,000	34,000	1,45,000	1,16,000	NIL

EXTERNAL RISK FACTORS

34. Our growth is dependent on the Indian economy. Any downturn in the Indian economy may affect our ability to raise debt financing, may lead to increased cost of financing or adversely affect the terms of financing.

Our performance and the growth of our business are dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including its ability to implement our strategy. The Indian economy is currently in a state of

transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and Government policy may change in response to such conditions. While recent Governments have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Any downturn in the macroeconomic environment could have an adverse effect on our results of operations and financial condition.

35. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares may be affected by change in interest rates, changes in government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. A significant change in the Government policies could affect business and economic conditions in India and could also adversely affect our business.

36. Our business and financial performance is particularly vulnerable to interest rate risk.

Our business is vulnerable to interest rate risk as it affects willingness of our customers to borrow funds. Any adverse movement in interest rates could materially and adversely affect our business and financial condition. Any inability on our part to retain customers as a result of rising interest rates may adversely impact our earnings in future periods, which could have an adverse effect on our business, prospects, financial condition and results of operations.

37. Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer and the price of the Equity Shares to decline.

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years, and some cooperative banks have also faced serious financial and liquidity difficulties. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business and financial performance and the price of the Equity Shares.

38. The performance of our financial services business may be adversely affected by changes in, or the regulatory policies of, the Indian national, state and local Governments.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business and the business of certain of our subsidiaries, and the market price and liquidity of the Equity Shares may be affected by change in interest rates, changes in government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. Economic activity is also dependent upon the policy changes made by the Regulatory authorities. Our Company is part of the financial sector which is strongly coupled with the economic activity in the country. Although the Government has continued to deregulate the economy, there can be no guarantee that this would continue in the future. Any adverse effect of

regulations on the economy may also lead to adverse effect on the operational performance of the company.

39. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

40. Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business and the market price and liquidity of the Company's shares, may be affected by changes in Government of India's policies, including policies on taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalisation could change and specific laws and policies affecting financial service providers and other ancillary service providers could change as well. The current Government is a coalition of various parties and the withdrawal of support by parties in the coalition could result in general elections being held in the country. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, general or sharp increase in commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards financial service providers and other ancillary service providers, which may, in turn, adversely affect our financial performance and our ability to implement our business strategy.

41. If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy and our business.

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighbouring countries are particularly threatening because India and certain of its neighbours possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Iraq, Afghanistan and other countries in the Indian sub-continent. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

42. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates.
- A natural or man-made disaster could result in losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

43. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Further, the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases, significantly from those in the US and Europe. In the past, Indian stock exchanges have experienced temporary exchange closures, broker defaults and settlement delays which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. A closure of, or trading stoppage on, the stock exchanges could adversely affect the trading price of the Equity Shares. In the past, the stock exchanges have experienced substantial fluctuations in the prices of listed securities. In addition, the governing bodies of the Indian stock exchanges have, from time to time, restricted securities from trading, limited price movements and restricted margin requirements. Further, from time to time, disputes have occurred between listed companies and the stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the Equity Shares.

44. The price of the Equity Shares may be highly volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.

The market price of our Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the financial services industry;
- adverse media reports about us or the Indian financial services sector;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic fears.

PROMINENT NOTES TO THE RISK FACTORS:

1. Size of The Issue

Public Issue of 60,00,000 Equity Shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 10/- each per Equity Share (issued at par) aggregating to Rs. 600.00 Lacs ("the issue") by Comfort Commotrade Limited ("CCL" or the "Company" or the "Issuer").

2. The average cost of acquisition of Equity Shares by the Promoters :

Name of the promoter	No. of Shares held	Average Cost of acquisition (Rs.)*
Mr. Anil Agrawal	16,05,000	10.26
Ms. Annu Agrawal	4,50,000	10.91

*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them. For more information, please refer to the section titled "Capital Structure" on page 39.

3. Our Net worth as on 31st March, 2012 is Rs. 443.18 Lacs as per Restated Financial Statements.

4. The Book Value per share as on 31st March, 2012 is Rs. 32.33 as per Restated Financial Statements.

5. At present, none of our group companies carry on activities, which conflict with our business. For more details, please refer "Common Pursuits" on page 105 of this Prospectus.

6. For details of the transactions between our Company and our Group Companies please refer chapter titled "Auditors Report on Restated Financial Information - Related Party Transactions" on page no. 139 of this Prospectus.

7. Our Company was originally incorporated as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on May 21, 2012.

8. Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to "Basis of Allotment" on page 180 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.

9. Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.

10. Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.

11. During the period of six months immediately preceding the date of filing of this Prospectus, no financing arrangements existed whereby the Promoters, Promoter Group, Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

SECTION III: INTRODUCTION

SUMMARY OF THE INDUSTRY

The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analysed from publicly available documents and reports prepared or published by regulatory bodies, professional organisations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

Overview

The Indian Economy

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Fact book). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services and software workers. In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. Merchandise exports, which account for about 15% of GDP, returned to pre-financial crisis levels. An industrial expansion and high food prices, resulting from the combined effects of the weak 2009 monsoon and inefficiencies in the government's food distribution system, fueled inflation which peaked at about 11% in the first half of 2010, but has gradually decreased to single digits following a series of central bank interest rate hikes. In 2010 New Delhi reduced subsidies for fuel and fertilizers, sold a small percentage of its shares in some state-owned enterprises and auctioned off rights to radio bandwidth for 3G telecommunications in part to lower the government's deficit. The Indian Government seeks to hold its budget deficit to 5.5% of GDP in FY 2010-11, down from 6.8% in the previous fiscal year. India's long term challenges include widespread poverty, inadequate physical and social infrastructure, limited nonagricultural employment opportunities, insufficient access to quality basic and higher education, and accommodating rural-to-urban migration.

(<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>)

Futures contracts are derivative products that provide means for hedging and asset allocation and are prevalent in nearly all sectors of the global economy. The asset underlying futures contracts could be a physical asset (such as an agricultural commodity) or a financial asset (such as interest rates, foreign exchange products and stock indices). A commodity (as traded on an exchange) is an undifferentiated product whose market value arises from the owner's right to sell the product rather than the right to use

the product. Examples of commodities currently traded globally on exchanges include crude oil, gold, copper and various agricultural products such as wheat, corn and soybeans.

Commodity futures contracts are commitments to make or accept delivery of a specified quantity and quality of a commodity at a set time in the future for a price established at the time the commitment is made. The buyer agrees to take delivery of the underlying commodity, while the seller agrees to make delivery. In practice, futures markets are rarely used to actually buy or sell the physical commodity being traded and only a small number of contracts traded worldwide each year result in delivery of the underlying commodity. Instead, traders generally offset (a buyer will liquidate by selling the contract, the seller will liquidate by buying back the contract) their futures positions before their contracts mature. Commodity futures contracts are primarily made available through a centralised trading or computerised matching process, with bids and offers on each contract traded publicly. Through this process, a prevailing futures market price is reached for each commodity futures contract, based primarily on the laws of anticipated supply and demand. Many markets abroad also offer trading in options contracts in commodities. Options are contracts that provide the buyer the right and the seller the obligation to buy or sell, respectively, a futures contract at a certain price for a limited period of time. Under the current Indian regulations, we are not permitted to offer trading in commodity options.

Commodities traded on commodity futures exchanges are required to be delivered near the specified contract expiry date, depending on the delivery option, and at the fixed settlement price (due date rate), ignoring all changes in the market prices. As such, trading in commodity futures allows hedging to protect against serious losses in a rising or declining market, speculation for gain in a rising or declining market and utilising the arbitrage opportunities available. For example, a seller may enter into a futures contract agreeing to deliver grain in two months at a set price. Even if the grain market declines at the end of two months, the seller will still get the higher price specified in the futures contract. If the market rises, however, the buyer stands to gain by paying the lower contract price for the grain and reselling it at the higher market price. For a dealer, manufacturer or exporter who is not generally interested in speculative losses or gains, his only interest is to ensure that he gets the necessary protection against unforeseen fluctuations in prices. Therefore the futures market provides such hedging protection to the various stakeholders in the commodities industry.

Like other futures contracts, commodity futures contracts are traded in standardised units in a transparent, competitive, continuous open floor-based trading or electronic matching process. In this way, commodity futures are able to attract diverse participation and facilitate price discovery. An effective and efficient market for trading in commodity futures requires the following:

- volatility in the prices of the underlying commodities;
- large numbers of buyers and sellers with diverse profiles (e.g., hedgers and speculators);
- fungibility of the underlying physical commodities;
- efficient and liquid exchange platform; and
- robust risk management and surveillance system.

The Global Commodity Futures Market

There are over 30 commodity futures and options exchanges worldwide that trade commodities ranging from energy, metals, agriculture to livestock in many countries including the United States, China, Japan, Malaysia and the United Kingdom. (*Source: Futures Industry Association (FIA), FI magazine September 2011 (FIA Report)*). Some of the commodity futures and option exchanges in the FIA Report are group exchanges, which comprise several individual exchanges that form part of those group exchanges.) The commodity exchanges trade in physical commodity products, as well as in financial instruments. Trading is mostly done in futures and options contracts. Spot trading calls for immediate delivery of a specified

commodity and is often used to obtain the goods necessary to fulfill a seller's delivery obligations under futures contracts. According to the FIA Report, strong levels of growth were seen in the trading volume of commodity futures and options, especially those relating to nonprecious metals, agricultural, energy and precious metals commodities. The trading volume of futures and options contracts of non-precious metals decreased by 37.7% to 190.37 million for the six months ended June 30, 2011 as compared to the six months ended June 30, 2010, while the trading volume of futures and options contracts of agricultural commodities decreased by 9.1 % to 529.59 million contracts during the same period. The trading volume of futures and options contracts of precious metals rose by 49.8% to 127.49 million contracts between the same period and that of futures and options contracts of energy products rose by 16.0% to 416.24 million contracts for the same period.

SUMMARY OF OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Comfort Commotrade Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 68 of the Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 92 of this Prospectus.

We are currently engaged in the business of commodity broking. We are the member of MCX and NCDEX. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

OUR COMPETITIVE STRENGTHS

Leveraging the experience of our Promoters

Our Promoters Mr. Anil Agrawal and Mrs. Annu Agrawal have collectively more than twenty years of experience in the field of capital market including business advisory, capital Market transactions, research, broking and merchant banking. During this tenure they have developed good client base, technical capability & contributed in the growth of our Company and our group companies.

Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personnel having knowledge of all aspects of marketing, finance and broking. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Growth driven

Our Company has witnessed substantial growth in past few years. Income from operations of our Company was nil in the fiscal 2007-08 which increased to Rs. 51.35 Lacs in the fiscal 2011-12 resulting in the increase of 100.00 % over the past 5 years. Profit after tax of our Company has increased from Rs. (0.22) Lacs to Rs. 20.26 Lacs resulting in the increase of 101.09 % over the past 5 years.

OUR GROWTH STRATEGY

We have maintained cordial relations with all of our existing customers and have received continued patronage from them in the form of repeat business.

Increase geographical presence

We are currently located in Malad in Mumbai. Going forward we plan to establish our presence in the Southern India and we intend to set up regional offices in two (2) cities in Southern India namely Chennai and Hyderabad. Our emphasis is on expanding the scale of our operations as well as growing our network in Southern India, which we believe present attractive opportunities to grow our client base and revenues.

Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients.

SWOT

Strengths

- Experienced Promoters and management team
- Cordial relationship with Customers

Weaknesses

- Limited geographical coverage
- Dependent upon growth in Commodity broking industry
- Dependence upon existing customers for our business

Opportunities

- Establishment of market in neighboring states
- Potential to increase the business in the existing facility

Threats

- Industry is prone to change in government policies
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

SUMMARY OF OUR FINANCIAL STATEMENT

The following tables set forth the summary financial information derived from our restated financial statements for the Fiscal Years 2012, 2011, 2010, 2009 and 2008. Our restated financial statements have been prepared in accordance with accounting policies as prescribed under the Accounting Standards issued by ICAI and the SEBI (ICDR) Regulations, 2009 and are presented in the section titled "Financial Information" on page no. 125 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements and the notes thereto.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs in Lakh)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Assets					
Fixed Assets-Gross Block	24.04	22.59	22.59	21.27	7.50
Less: Depreciation	1.30	0.82	0.40	0.17	-
Net Block	22.74	21.77	22.19	21.10	7.50
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve (A)	22.74	21.77	22.19	21.10	7.50
Capital WIP	-	-	-	-	-
Total (A)	22.74	21.77	22.19	21.10	7.50
Investments (B)	32.00	-	-	-	-
Deferred Tax Asset (C)	-	0.40	-	-	-
Current Assets, Loans and Advances					
Receivables	12.18	3.99	5.69	9.26	-
Cash & Bank Balances	392.83	51.17	51.49	43.15	18.71
Deposits, Loans & Advances	48.83	42.34	31.43	23.72	0.40
Other Current Assets	-	-	-	-	-
Total Current Assets (D)	453.84	97.50	88.61	76.13	19.11
Total Assets (D) = (A) + (B) + (C) + (D)	508.58	119.67	110.80	97.23	26.61
Liabilities & Provisions					
Loan Funds :					
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Current Liabilities & Provisions:					
Current Liabilities	62.48	17.88	24.25	15.45	0.06
Provisions	12.44	0.45	4.70	2.46	-
Deferred Tax Liability	0.48	-	0.01	0.18	-
Total Liabilities & Provisions (E)	75.40	18.33	28.96	18.09	0.06
Net Worth (D) - (E)	433.18	101.34	81.84	79.14	26.55
Represented By:					
Share Capital	134.00	34.00	29.00	29.00	14.50
Reserves & Surplus	311.10	73.95	53.58	51.13	13.28
Less: Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	311.10	73.95	53.58	51.13	13.28
Less : Misc. expenditure to the extent not written off	11.93	6.61	0.74	0.99	1.23
Total Net Worth	433.18	101.34	81.84	79.14	26.55

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Rs in Lakh)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Income					
Brokerage & Commission	29.62	13.15	19.76	2.93	-
Income from proprietary trading	21.73	0.60	(0.75)	2.19	-
Interest Income	4.65	2.73	3.22	3.11	-
Miscellaneous Income	5.51	0.12	0.99	1.99	-
Total	61.51	16.60	23.22	10.22	-
Expenditure					
Employee's Cost	5.49	5.38	2.45	2.37	-
Administration Expenses	24.81	10.13	14.41	3.01	0.22
Preliminary expenditure w/off	0.25	0.24	0.25	0.24	-
Total	30.55	15.75	17.11	5.62	0.22
Profit before Depreciation, Interest and Tax	30.96	0.85	6.11	4.60	(0.22)
Depreciation	0.47	0.42	0.24	0.17	-
Profit before Interest & Tax	30.49	0.43	5.87	4.43	(0.22)
Interest & Finance Charges	0.01	-	0.01	0.19	-
Net Profit before Tax	30.48	0.43	5.86	4.24	(0.22)
Less: Provision for Tax-Current Tax	9.33	0.05	1.90	1.10	-
Deferred Tax	0.89	(0.40)	(0.17)	0.18	-
Fringe Benefit Tax	-	-	-	0.01	-
Net Profit After Tax & Before Extraordinary Items	20.26	0.78	4.13	2.95	(0.22)
Extraordinary Item (Net of Tax)	-	-	-	-	-
Net Profit After Extraordinary Items	20.26	0.78	4.13	2.95	(0.22)
Proposed Dividend	2.68	0.34	1.45	1.16	-
Tax on Dividend	0.43	0.06	0.24	0.20	-
Net Profit	17.15	0.38	2.44	1.59	(0.22)
Profit / (Loss) Brought Forward	4.20	3.82	1.38	(0.22)	-
Profit / (Loss) Carried Forward to Balance Sheet	21.35	4.20	3.82	1.37	(0.22)

SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

(Rs in Lakh)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	30.48	0.42	5.86	4.24	(0.22)
Adjustment for:					
Add: Depreciation	0.47	0.42	0.24	0.17	-
Add: Interest expenses	0.01	0.00	0.01	0.19	-
Add: Preliminary & issue Expenses w/off	0.25	0.24	0.24	0.24	-
Operating Profit before Working capital changes	31.21	1.08	6.35	4.83	(0.22)
Adjustments for:					
Decrease (Increase) in Trade & Other Receivables	(8.19)	1.70	3.57	(9.26)	-
Decrease (Increase) in Deposits, Loans and Advances	3.65	(13.63)	(4.79)	(22.67)	(0.40)
Increase (Decrease) in Current Liabilities	44.60	(6.37)	8.80	15.39	0.06
Increase (Decrease) in Provisions	-	-	-	-	-
Net Changes in Working Capital	40.06	(18.30)	7.58	(16.54)	(0.34)
Cash Generated from Operations	71.27	(17.22)	13.93	(11.71)	(0.56)
Taxes paid including FBT	10.19	0.29	2.91	0.65	0.00
Net Cash Flow from Operating Activities (A)	61.08	(17.51)	11.02	(12.36)	(0.56)
CASH FLOW FROM INVESTING ACTIVITIES					
(Purchase) / Sale of fixed assets	(1.45)	-	(1.32)	(13.77)	(7.50)
(Purchase) / Sale of Investments	(32.00)	-	-	-	-
Net Cash Flow from Investing Activities (B)	(33.45)	-	(1.32)	(13.77)	(7.50)
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital	100.00	5.00	-	14.50	14.50
Share Premium	220.00	20.00	-	36.25	13.50
Interest paid	(0.01)	-	(0.01)	(0.19)	-
Secured Loans Taken / (Repaid)	-	-	-	-	-
Unsecured Loans Taken/ (Repaid)	-	-	-	-	-
Preliminary Expenses Paid	(5.57)	(6.11)	-	-	(1.23)
Dividend paid including dividend tax thereon	(0.40)	(1.69)	(1.36)	-	-
Net Cash Flow from Financing Activities (C)	314.02	17.20	(1.37)	50.56	26.77
Net Increase / (Decrease) in Cash & Cash Equivalents	341.65	(0.31)	8.33	24.43	18.71
Cash and cash equivalents at the beginning of the year / Period	51.17	51.49	43.15	18.71	0.00
Cash and cash equivalents at the end of the year/ Period	392.82	51.18	51.48	43.14	18.71

Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

THE ISSUE

Present Issue to the Public in Terms of this Prospectus

Particulars	Number of Equity Shares
Equity Shares Offered	60,00,000 Equity Shares of Rs. 10/- each issued at par aggregating to Rs. 600.00 Lacs.
Issue Reserved for Market Makers	5,10,000 Equity Shares of Rs. 10/- each issued at par aggregating to Rs. 51.00 Lacs
Net Issue to the Public	54,90,000 Equity Shares of Rs. 10/- each issued at par aggregating to Rs. 549.00 Lacs
Equity Shares outstanding prior to the Issue	40,20,000 Equity Shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	1,00,20,000 Equity Shares of face value of Rs. 10/- each
Objects of the Issue	Please refer section titled “Objects of the Issue” on page 51 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 170 of this Prospectus.

GENERAL INFORMATION

COMFORT COMMOTRADE LIMITED

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited " vide fresh certificate of incorporation dated May 21st, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai.

REGISTERED OFFICE & CORPORATE OFFICE:

A-301, Hetal Arch,
S. V. Road, Malad (West), Mumbai-400064,
Maharashtra, India.
Tel: +91-22-2844 9765
Fax: +91-22-2889 2527
Website: www.comfortcommotrade.com
E-Mail: - ipo-commotrade@comfortsecurities.co.in

COMPANY REGISTRATION NUMBER: 11- 175688

COMPANY IDENTIFICATION NUMBER: U51311MH2007PLC175688

ADDRESS OF REGISTRAR OF COMPANIES

100, Everest,
Marine Drive,
Mumbai- 400 002.
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE: BSE Limited

LISTING OF SHARES OFFERED IN THIS ISSUE: SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled "*Our History and Corporate Structure*" beginning on page 92 of this Prospectus.

CONTACT PERSON: Ms. Sonia Jain, Company Secretary & Compliance Officer, A-301, Hetal Arch, S. V. Road, Malad (West), Mumbai-400064, Tel: +91-22-2844 9765 Fax: +91-22-2889 252,
Email id: ipo-commotrade@comfortsecurities.co.in

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS	Nature of Directorship
Mr. Anil Agrawal	Whole Time Director	00014413	Flat no. 2401 24th floor, Anmol Pride, Near petrol pump, S.V. Road, Goregaon (West), Mumbai-400064	Promoter-Executive Director

NAME	DESIGNATION	DIN	ADDRESS	Nature of Directorship
Mr. Bharat Shiroya	Director	00014454	A-401, Raja Ram Residency, Shivaji Road, Nr. Atul Tower, Kandivali - (w), Mumbai – 400067	Non-Executive Non-Independent Director
Mr. Sushil Jain	Independent Director	01662552	Cliff Tower CHS Ltd, Flt No 503, Plot No 34, , Cross Rd No 3, Swami Samarth Nagar, Andheri (W), Mumbai – 400053	Non-Executive Independent Director
Mr. Anilkumar Nevatia	Independent Director	00531183	201, Harish Chandra, Raheja Township, Malad (East), Mumbai - 400097	Non-Executive Independent Director

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 94 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sonia Jain
A-301, Hetal Arch,
S. V. Road, Malad (West),
Mumbai-400064,
Maharashtra, India.
Tel: +91-22-2844 9765
Fax: +91-22-2889 2527
Email: ipo-commotrade@comfortsecurities.co.in

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

STATUTORY AUDITORS

M/s. Bansal Bansal & Co.,
Chartered Accountants,
6/120, Sanjay Mittal Estate,
Andheri Kurla Road, Andheri East,
Mumbai - 400 059.
Tel : +91-22-66622444
Telefax : +91-22-28507815
E-mail: jatin@bansalbansal.com
Contact Person: Mr. Jatin Bansal
Firm Registration No. 100986W
Membership No. 135399

LEAD MANAGER

VC CORPORATE ADVISORS PVT. LTD

31, Ganesh Chandra Avenue,

2nd Floor, Suite No. 2C,

Kolkata – 700 013

Tel: - (033) 2225 3940 / 4116

Fax: (033) 2225 3941

Email: mail@vccorporate.com

Contact Person: Mr. Anup Kumar Sharma

SEBI REGN NO: INM000011096

LEGAL ADVISORS TO THE ISSUE

Legaleye Associates

Office No. 255 & 256, V mall,

Next to Saidham Temple,

Thakur Complex, Kandivali (East),

Mummbai – 400 101.

Email: legaleye9@gmail.com

Contact Person: Mr. Prakash Shenoy

REGISTRAR TO THE ISSUE

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED

13 AB, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road,

Sakinaka, Mumbai – 400 072

Tel: 022 6191 5402/022 6191 5404

Fax: 022 6191 5444

E-mail: sme.ipo@shareproservices.com

Website: www.shareproservices.com

Contact Person: Mr. Subhash Dhingreja

SEBI Regn. No: INR000001476

BANKER TO THE COMPANY

Union Bank of India

001, Hetal Arch, A wing, S.V. Road,

Opp. Natraj Market,

Malad (West),

Mumbai-400064

Contact Number-022-2882 1959

Fax No.: 022-2844 1774

Email Id: cbsmaladwest@unionbankofindia.com

ESCROW COLLECTION BANK / BANKERS TO THE ISSUE

HDFC BANK LIMITED

I Think Techno Campus

Level 0-3, Next to Kanjur Marg Railway Station

Kanjur Marg (E), Mumbai – 400 042
Attn: Mr. Deepak Rane
Email: deepak.rane@hdfcbank.com
Contact No.: +91-22 3075 2928
Fax No.: +91-22 2579 9801

REFUND BANKER

HDFC BANK LIMITED

I Think Techno Campus
Level 0-3, Next to Kanjur Marg Railway Station
Kanjur Marg (E), Mumbai – 400 042
Attn: Mr. Deepak Rane
Email: deepak.rane@hdfcbank.com
Contact No.: +91-22 3075 2928
Fax No.: +91-22 2579 9801

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crore. Since the Issue size is only of Rs. 6.00 Crore, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

DETAILS OF THE APPRAISING AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since VC Corporate Advisors Pvt. Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Prospectus, our Company has not obtained any other expert opinion.

UNDERWRITING AGREEMENT

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated 28th May, 2012 Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)
VC CORPORATE ADVISORS PVT. LTD 31, Ganesh Chandra Avenue, 2 nd Floor, Suite No. 2C, Kolkata – 700 013 Tel: - (033) 2225 3940 / 4116, Fax: (033) 2225 3941 Email: mail@vccorporate.com Contact Person: Mr. Anup Kumar Sharma SEBI REGN NO: INM000011096	54,90,000	549.00
NARAYAN SECURITIES LIMITED E-1/7, III Floor, East Patel Nagar, Delhi- 110008 Tel No.: (011) 30295500-11 Fax No.: (011)30295501 E-mail: nspl@narayansecurities.com Contact Person: Mr. Pawan Bhararia SEBI Registration No.: INB010935436 Market Maker Registration No. (SME Segment of BSE): SMEMM0323309052012	5,10,000	51.00
Total	60,00,000	600.00

In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to

discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI and are eligible to underwrite as per applicable guideline.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our company and the Lead Manager have entered into a tripartite agreement dated 28th May, 2012 with the following Market Maker to fulfill the obligations of Market Making:

Name: Narayan Securities Limited

Registered Office Address:

E-1/7, III Floor, East Patel Nagar,
Delhi- 110008

Tel No.: (011) 30295500-11

Fax No.: (011) 30295501

E-mail: nspl@narayansecurities.com

Contact Person: Mr. Pawan Bhararia

SEBI Registration No.: INB010935436

Market Maker Registration No. (SME Segment of BSE): SMEMM0323309052012

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE, and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 5) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below:

(Rs. in Lakh, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	1,10,50,000 Equity Shares of Rs. 10 each	1105.00	
B.	Issued, subscribed and paid-up Equity Share Capital before the Issue		
	40,20,000 Equity Shares of face value of Rs. 10 each	402.00	
C.	Present Issue in terms of the Prospectus		
	Issue of 60,00,000 Equity Shares of Rs. 10 each at par	600.00	600.00
	which comprises		
	5,10,000 Equity Shares of Rs. 10/- each at par per Equity Share reserved as Market Maker Portion	51.00	51.00
	Net Issue to Public of 54,90,000 Equity Shares of Rs. 10/- each at par per Equity Share to the Public	549.00	549.00
	Of which		
	27,45,000 Equity Shares of Rs.10/- each at par per Equity Share will be available for allocation for Investors of upto Rs. 2.00 Lacs	274.50	274.50
	27,45,000 Equity Shares of Rs. 10/- each at par per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	274.50	274.50
D.	Equity capital after the Issue		
	1,00,20,000 Equity Shares of Rs. 10 each	1002.00	1002.00
E.	Securities Premium Account		
	Before the Issue	289.75	
	After the Issue	289.75	

**This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 22nd May, 2012 and by the shareholders of our Company pursuant to a special resolution dated 28th May 2012 passed at the EGM of shareholders under section 81 (1A) of the Companies Act.*

Our Company has no outstanding convertible instruments as on the date of the Prospectus.

CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	500,000 Equity Shares of Rs. 10 each	-	Incorporation
2	500,000 Equity Shares of Rs. 10 each	81,00,000 Equity Shares of Rs. 10 each	24/03/2012	EGM
3	81,00,000 Equity Shares of Rs. 10	1,01,00,000 Equity Shares of Rs. 10 each	25/04/2012	EGM
4	1,01,00,000 Equity Shares of Rs. 10 each	1,10,50,000 Equity Shares of Rs. 10 each	06/08/2012	AGM

NOTES FORMING PART OF CAPITAL STRUCTURE

1. Equity Share capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
05/11/2007	10,000	10	10	Cash	Subscription to Memorandum (i)	10,000	100,000	---
26/11/2007	135,000	10	20	Cash	Allotment (ii)	145,000	14,50,000	13,50,000
25/04/2008	145,000	10	35	Cash	Allotment (iii)	290,000	2,90,000	49,75,000
15/03/2011	50,000	10	50	Cash	Allotment (iv)	340,000	34,00,000	69,75,000
30/03/2012	10,00,000	10	32	Cash	Allotment (v)	13,40,000	1,34,00,000	2,89,75,000
10/04/2012	26,80,000	10	Nil	Bonus	Bonus allotment in the ratio 2:1	40,20,000	4,02,00,000	2,89,75,000

- (i) Initial allotment of 10,000 Equity Shares to the subscribers of the MOA of the Company being Equity Shares to Mr. Anil Agrawal and Equity Shares to Ms. Annu Agrawal.
- (ii) Further allotment of 7,500 Equity Shares to Ms. Annu Agrawal, 65,000 Equity Shares to Anil Agrawal HUF and 62,500 Equity Shares to Mr. Anil Agrawal.
- (iii) Further allotment of 12,500 Equity Shares to Ms. Annu Agrawal, 67,500 Equity Shares to Mr. Anil Agrawal and 65,000 Equity Shares to M/s. Comfort Intech Limited.
- (iv) Further allotment of 15,000 Equity Shares to Ms. Annu Agrawal and 35,000 Equity Shares to M/s. Comfort Intech Limited.
- (v) Further allotment of 110,000 Equity Shares to Ms. Annu Agrawal, 400,000 Equity Shares to Mr. Anil Agrawal, 43,500 Equity Shares to Mr. Bharat Shiroya, 300,000 Equity Shares to M/s. Comfort Intech Limited, 136,500 Equity Shares to Mr. Ankur Agrawal and 10,000 Equity Shares to Ms. Deepika Agrawal.
- (vi) Our Company vide Board resolution dated 10th April, 2012 allotted 26,80,000 Equity Shares of Rs. 10 each as bonus to the existing shareholders in the ratio of two (2) Equity Shares for every one (1) Equity Share held.

2. Issue of Equity Shares for consideration other than cash

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Nature of allotment (Bonus, swap etc.)	Person to whom shares are issued	Reason for Issue	Benefits accrued to our Company
10/04/2012	26,80,000	10	Nil	Bonus allotment	To all the shareholders holding shares as on the record date i.e. 30/03/2012	Issue of bonus Equity Shares in the ratio of 2:1	Nil

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.

4. Issue of Equity Shares in the last one (1) year

Except as stated below, we have not issued any Equity Shares in the preceding one (1) year.

Date of Allotment	Number of Equity Shares	Name of the Allottee	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
30/03/2012	10,00,000	Note (i)	Further allotment	10	32
10/04/2012	26,80,000	Note (ii)	Bonus allotment	10	Nil

- (i) Further allotment of 110,000 Equity Shares to Ms. Annu Agrawal, 400,000 Equity Shares to Mr. Anil Agrawal, 43,500 Equity Shares to Mr. Bharat Shiroya, 300,000 Equity Shares to M/s. Comfort Intech Limited, 136,500 Equity Shares to Mr. Ankur Agrawal and 10,000 Equity Shares to Ms. Deepika Agrawal.
- (ii) Our Company vide Board resolution dated 10th April, 2012 allotted 26,80,000 Equity Shares of Rs. 10 each as bonus to the existing shareholders in the ratio of two (2) Equity Shares for every one (1) Equity Share held.

5. Shareholding of our Promoters:

a) Set forth below are the details of the build-up of shareholding of our Promoter

1. MR. ANIL AGRAWAL							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
05/11/2007	50,000	5,000	10	10	Subscription to MOA	0.12	--
26/11/2007	1,250,000	62,500	10	20	Further allotment	1.55	--

1. MR. ANIL AGRAWAL							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
25/04/2008	2,362,500	67,500	10	35	Further allotment	1.68	--
30/03/2012	12,800,000	400,000	10	32	Further allotment	9.95	-
10/04/2012	Nil	1070,000	10	Nil	Bonus allotment	26.62	--
Total		16,05,000				39.93	16.02

2. MS. ANNU AGRAWAL							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
05/11/2007	50,000	5,000	10	10	Subscription to MOA	0.12	--
26/11/2007	1,50,000	7,500	10	20	Further allotment	0.19	--
25/04/2008	4,37,500	12,500	10	35	Further allotment	0.31	--
15/03/2011	7,50,000	15,000	10	50	Further allotment	0.37	--
30/03/2012	35,20,000	1,10,000	10	32	Further allotment	2.74	--
10/04/2012	Nil	3,00,000	10	Nil	Bonus allotment	7.46	--
Total		4,50,000				11.19	4.49

6. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Name of Promoter	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price (Rs. per share)	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Anil Agrawal (A)	5,000	05/11/2007	10	0.12	0.05

Name of Promoter	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price (Rs. per share)	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
	62,500	26/11/2007	20	1.55	0.62
	67,500	25/04/2008	35	1.68	0.67
	4,00,000	30/03/2012	32	9.95	3.99
	10,70,000	10/04/2012	Nil	26.62	10.68
Ms. Annu Agrawal (B)	5,000	05/11/2007	10	0.12	0.05
	7,500	26/11/2007	20	0.19	0.07
	12,500	25/04/2008	35	0.31	0.12
	15,000	15/03/2011	50	0.37	0.15
	1,10,000	30/03/2012	32	2.74	1.10
	2,49,000	10/04/2012	Nil	6.19	2.49
Total (A+B)	20,04,000			38.66	20.00

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoter on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post –Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

7. Details of share capital locked in for one year:

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

8. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
INDIAN							
Individuals/HUFs Directors/Relatives	6	28,20,000	70.15	28,20,000	28.14	---	---
Central Govt. / State Govts.	-	---	---	---	---	---	---
Bodies Corporate	1	12,00,000	29.85	12,00,000	11.98	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Sub Total A (1)	7	40,20,000	100.00	40,20,000	40.12	---	---
FOREIGN							
Bodies Corporate	-	---	---	---	---	---	---
Individual	-	---	---	---	---	---	---
Institutions	-	---	---	---	---	---	---
Any others (specify)	-	---	---	---	---	---	---
Sub Total A (2)	-	---	---	---	---	---	---
Total Shareholding of Promoter group A (1) + A (2)	7	40,20,000	100.00	40,20,000	40.12	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt./ State Govts.	-	---	---	[●]	[●]	---	---
Financial Institutions/Banks	-	---	---	[●]	[●]	---	---
Mutual Funds/UTI	-	---	---	[●]	[●]	---	---
Venture Capital Funds	-	---	---	[●]	[●]	---	---
Insurance Companies	-	---	---	[●]	[●]	---	---
Foreign Institutions Investors	-	---	---	[●]	[●]	---	---
Foreign Venture Capital Investors	-	---	---	[●]	[●]	---	---
Any Others (Specify)	-	---	---	[●]	[●]	---	---
Sub Total B (1)	-	---	---	[●]	[●]	---	---

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Non Institutions	-						
Bodies Corporate	-	---	---	[●]	[●]	---	---
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	-	---	---	[●]	[●]	---	---
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	-	---	---	[●]	[●]	---	---
Trust	-	---	---	[●]	[●]	---	---
Any Other (i) Clearing Member	-	---	---	[●]	[●]	---	---
Directors/Relatives	-	---	---	[●]	[●]	---	---
Employees	-	---	---	[●]	[●]	---	---
Foreign Nationals	-	---	---	[●]	[●]	---	---
NRIs	-	---	---	[●]	[●]	---	---
OCB'S	-	---	---	[●]	[●]	---	---
Person Acting in Concert	-	---	---	[●]	[●]	---	---
Sub Total B(2)	-	---	---	[●]	[●]	---	---
Total Public Shareholding B(1) + B(2)	-	---	---	[●]	[●]	---	---
Total A+B	7	40,20,000	100	1,00,20,000	100	---	---
Shares held by Custodians and against which Depository receipts have been issued	---	---	---	---	---	---	---
Grand Total A+B+C	7	40,20,000	100	1,00,20,000	100	---	---

[B] Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies) as per clause 35 of the Equity Listing Agreement.

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
A	Promoters							
1	Mr. Anil Agrawal	16,05,000	39.93	1,605,000	16.02	-	-	-
2	Ms. Annu Agrawal	4,50,000	11.19	450,000	4.49	-	-	-
B	Promoter Group, Relatives and other Associates							
1	Mr. Ankur Agrawal	4,09,500	10.19	409,500	4.09	-	-	-
2	Ms. Deepika Agrawal	30,000	0.75	30,000	0.29	-	-	-
3	Anil Agrawal HUF	1,95,000	4.85	195,000	1.95	-	-	-
4	Comfort Intech Limited	12,00,000	29.85	1,200,000	11.98	-	-	-
5	Bharat Shiroya	1,30,500	3.25	1,30,500	1.30	-	-	-
	TOTAL (A+B)	40,20,000	100.00	40,20,000	40.12	-	-	-

[C] [i] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

S.No.	Name of shareholder	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
	Not Applicable	-	-	-	-

[C] [ii] Shareholding of persons (together with public acting in concert of non promoter category) belonging to the category 'Public' and holding more than 5% of our Equity Shares

S. No.	Name of shareholder	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
	Not Applicable	-	-	-	-

9. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Anil Agrawal	16,05,000	10.26
Ms. Annu Agrawal	4,50,000	10.91

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the shareholder	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Anil Agrawal	16,05,000	39.93
Mr. Bharat Shiroya	1,30,500	3.25
TOTAL	17,35,500	43.18

11. Equity Shares held by top ten shareholders

- (a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Mr. Anil Agrawal	16,05,000	39.93
2.	M/s. Comfort Intech Limited	12,00,000	29.85
3.	Ms. Annu Agrawal	4,50,000	11.19
4.	Mr. Ankur Agrawal	4,09,500	10.19
5.	Anil Agrawal HUF	1,95,000	4.85
6.	Mr. Bharat Shiroya	1,30,500	3.25
7.	Ms. Deepika Agrawal	30,000	0.75
	Total	40,20,000	100.00

- (b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Mr. Anil Agrawal	16,05,000	39.93
2.	M/s. Comfort Intech Limited	12,00,000	29.85
3.	Ms. Annu Agrawal	4,50,000	11.19
4.	Mr. Ankur Agrawal	4,09,500	10.19
5.	Anil Agrawal HUF	1,95,000	4.85
6.	Mr. Bharat Shiroya	1,30,500	3.25
7.	Ms. Deepika Agrawal	30,000	0.75
	Total	40,20,000	100.00

- (c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Mr. Anil Agrawal	1,35,000	3.36
2	Anil Agrawal HUF	65,000	1.62
3	M/s. Comfort Intech Limited	65,000	1.62
4	Ms. Annu Agrawal	25,000	0.62
	Total	2,90,000	7.21

12. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.
13. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with BSE Ltd.
14. Our Company has not raised any bridge loans against the proceeds of this Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "*Basis of Allotment*" on page 180 of this Prospectus.
16. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
17. As on date of filing of this Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

18. On the date of filing the Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
19. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
20. Lead Manager to the Issue viz. VC Corporate Advisors Private Limited does not hold any Equity Shares of our Company.
21. Our Company has not revalued its assets since incorporation.
22. Our Company has not made any public issue since incorporation.
23. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
25. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
26. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
27. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
28. An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
29. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
30. Our Company has seven (7) members as on the date of filing of this Prospectus.

OBJECTS OF THE ISSUE

The objects of this Issue are to raise funds to:-

1. Expand our business operations
2. Enhancement of margin money maintained with the exchanges
3. General corporate purpose
4. Issue expenses

In addition, our Company expects to receive the benefits of listing the Equity Shares on the SME Platform of BSE.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the Issue are summarized in the table below: -

<i>(Rs. In Lacs)</i>		
S.N	Particulars	Proposed Utilizations of Issue Proceed
1	Expanding our business operations	660.00
2	Enhancement of margin money maintained with the exchanges	150.00
3	General corporate purpose	50.00
4	Issue Expenses	50.00
	Total	910.00

MEANS OF FINANCE

<i>(Rs. In Lacs)</i>	
Particulars	Amount
Initial Public Offering	600.00
Internal accruals	310.00
Total	910.00

We proposed to meet Rs. 600 Lacs for the objects from the Proceeds of the Issue and the remaining to the tune of Rs. 310 Lacs from the existing internal accruals of the Company. Accordingly, firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds and existing internal accruals does not arise.

DETAILS OF THE UTILISATION OF ISSUE PROCEEDS

1. Expanding our business operations.

Our Company is currently headquartered at Malad in Mumbai. For further details of our existing, please see the chapter titled “Our Business” on page no. 82 of this Prospectus. Going forward we plan to establish our presence in the Southern India and we intend to set up regional offices in two (2) cities in Southern India namely Chennai and Hyderabad. Our Company shall acquire the office premises on ownership basis and explore various opportunities for growth and development of the business. The cost under this object shall be as under:

Sl. No.	Particulars	Amount (Rs. In Lacs)
a)	Setting up regional offices in 2 cities as under:	
	Chennai	Total area of Approx 3,900 Sq. Ft
	Hyderabad	Total area of Approx 2,600 Sq. Ft.
b)	Furniture, Electricals & Other Equipment	160.00
	TOTAL	660.00

We want to expand our reach by setting up regional offices in 2 cities of India namely Chennai and Hyderabad. We have identified and entered into an agreement dated M/s. Sivaswathi Constructions Private Limited to carry out the construction of the said office premises. The contractors shall construct the same on turnkey basis and also prepare site layout plans, preliminary sketch, designs, structure drawings etc. The total contract amount is Rs. 500 Lakhs of which Rs. 190 Lakhs have already been paid as advance to the contractor from our internal accruals. The contract amount shall be inclusive of cost of all electrical, sanitary, materials for construction, wages of labour, supervisors & other staff, obtaining of permission and approvals from authorities for construction of work etc. M/s. Sivaswathi Constructions Private Limited has provided a bank guarantee equivalent to 40% of the contract price as “Performance Guarantee”.

Further, the following table highlights the break-up of costs of “Furniture, Electricals & Other Equipment” under various heads expected to be incurred towards setting up these regional offices.

(Rs. in Lakhs)

Location	Furniture & Fixtures	IT & Equipment	Administrative Expenses	Total
Chennai	40.00	28.00	24.00	92.00
Hyderabad	30.00	20.00	18.00	68.00
Total	70.00	48.00	42.00	160.00

2. Enhancement of margin money maintained with the exchanges

Part of the proceeds of this Issue will be utilized for the margins to be placed with the MCX Commodity Exchanges. The margin requirements with the MCX are determined on the basis of trading volumes and market volatility and to the extent of open interest in respect of commodity future.

Such margin requirements comprise of “initial margin” representing initial margin paid and “margin deposits”, representing additional margin over and above the initial margin, for entering into contracts for commodities futures, which are released on final settlement and/or squaring up of underlying contracts. Further, commodities futures are marked-to-market on a daily basis, in which

case, “mark-to-market margin” is required to be provided, representing the net amount paid or received on the basis of movement of price/commodities futures till the balance sheet date. While the initial margin and the margin deposits with the stock exchanges/ professional clearing members can be created by way of deposit of either stock or bank guarantees or fixed deposits with banks or cash, however, the marked-to-market margin is typically created by way of deposit of cash. With the proposed expansion in the operation and branch network and the growth plan envisaged by our Company, we expect our trading volumes to increase leading to additional margin capital requirements for our Company. Provided below are the details of the levels of initial margin, margin deposits and marked-to-market margin maintained by us in the last two financial years:

Margin Details			
Particulars	2009-10 (Rs.)	2010-11 (Rs.)	2011-12 (Rs.)
Initial Margin (Cash deposit)	1987800	1987800	1987800
Bank Guarantee	4000000	5500000	7500000
Additional Margin	1332163	0	1200000
Total	7319963	7487800	10687800
Total (Rs. In Lakhs)	73.20	74.88	106.88

As above, we have witnessed an increased requirement to maintain margins with the MCX. Consequently, we propose to deploy Rs. 150 lakh out of Issue proceeds by financial year 2013-14 towards enhancing the margins with the exchanges through either bank guarantees or fixed deposits with banks or cash. Such capital infusion will enable us to undertake more business. Any short fall in margin would be met through internal accruals.

3. General corporate purposes

We intend to deploy Rs. 50 lakh towards the general corporate purposes, including but not restricted to strengthening our marketing capabilities or any other purposes as approved by our Board of Directors.

4. To meet the expenses of the Issue

The expenses for this Issue include issue management fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 50 Lacs.

(Rs. In Lacs)

Sr. No.	Particulars	Amount
1	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	33.00
2	Printing and distribution of issue stationery	8.50
3	Advertising and marketing expenses	6.00
4	Regulatory fees and other expenses	2.50
	Total	50.00

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The funds raised from this Issue shall be utilized as under:

(Rs. In Lacs)

Activity	Already Deployed	2012-13	2013-14	Total
Expanding our domestic operations	190.00	300.00	170.00	660.00
Enhancement of Margin Money maintained with the Exchanges	Nil	40.00	110.00	150.00
General corporate Purposes	Nil	30.00	20.00	50.00
Issue Expenses	6.00	44.00	---	50.00
Total	196.00	414.00	300.00	910.00

DEPLOYMENT OF FUNDS

M/s. Bansal Bansal & Company, Chartered Accountants have vide certificate dated 14th August 2012, confirmed that as on, following funds were deployed for the proposed Objects of the Issue:

Deployment of Funds	Amount (Rs. in Lacs)
Project related (Advance to Contractor)	190.00
Issue Related Expenses	6.00
Total	196.00

Sources of Funds	Amount (Rs. in Lacs)
Internal accruals	196.00
Bank Finance	-
Total	196.00

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.

INTERIM USE OF FUNDS

The Company in accordance with compliance of section 61 of the Companies Act, 1956 and with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

BASIS FOR ISSUE PRICE

Investors should read the following basis with the “Risk Factors” beginning on page 9 and the details about the “Business of our Company” and its “Financial Statements” included in this Prospectus on page 82 & 125 respectively to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Leveraging the experience of our Promoters

Our promoters namely Mr. Anil Agrawal and Mrs Annu Agrawal have a cumulative experience of more than 30 years in the field of finance, capital markets and related activities and has inculcated an ethical and transparent business practice, cost effective financial solution to the customers & contributed in the growth of our Company.

Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personnel having knowledge of all aspects of commodity broking and allied activities. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Growth driven

Our Company has witnessed substantial growth in past few years. Income from operations of our Company was nil in the fiscal 2007-08 which increased to Rs. 51.35 Lacs in the fiscal 2011-12 resulting in the increase of 100.00 % over the past 5 years. Profit after tax of our Company has increased from Rs. (0.22) Lacs to Rs. 20.26 Lacs resulting in the increase of 101.09 % over the past 5 years.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earning Per Equity Share (EPS) (on Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2009-10	0.14	1
FY 2010-11	0.03	2
FY 2011-12	0.67	3
Weighted Average	0.37	

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of

Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 10.00

- Based on fiscal year as on 31st March, 2012; at EPS of Rs. 0.67 as per Restated Financial Statements, the P/E ratio is 14.93.
- Based on weighted average EPS of Rs. 0.37 as per Restated Financial Statements, the P/E ratio is 27.03.
- Industry PE: There are no comparable listed companies with the same business as our Company.

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2009-10	5.05	1
FY 2010-11	0.77	2
FY 2011-12	4.68	3
Weighted Average	3.44	

4. Minimum return on post Issue Net Worth to maintain the Pre-issue annualized EPS at 31st March, 2012 is 5.16%.

5. Net Asset Value per Equity Share

Sr. No.	Particulars	(Rs.)
a)	As on 31 st March, 2011	29.81
b)	As on 31 st March, 2012	32.33
c)	After Issue	12.99
d)	Issue Price	10.00

6. Peer Group Comparison of Accounting Ratios

There are not any comparable listed peer group companies in the Commodity segments hence comparison amongst peers is not disclosed.

- The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 10 per share is 1 (one) times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 10.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Comfort Commotrade Limited
A-301, Hetal Arch, S. V. Road, Malad (West),
Mumbai – 400 064

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by Comfort Commotrade Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met.

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable Comfort Commotrade Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

Thanking you,
Yours faithfully,
For Bansal Bansal & Co.,
Chartered Accountants
Jatin Bansal
Partner
Firm's registration number: 100986W, Membership No: 135399
Place: Mumbai

Date: 21st June, 2012

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

I. Special Benefits available to our Company

There are no special tax benefits available to our Company.

II. Special Benefits available to the Shareholders of our Company

There are no special tax benefits available to the Equity Shareholders.

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 ("the Act"):

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

In accordance with and subject to the conditions specified in Section 32(1) (iia) of the Act, the Company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	A.Y.-2011-12	A.Y.-2012-13
If book profit is less than or equal to Rs. 1 Crore	18.54 %	19.055%
If book profit is more than Rs. 1 Crore	19.93 %	20.01%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes ("MAT")

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable

surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act,

1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per

the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

1. As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analysed from publicly available documents and reports prepared or published by regulatory bodies, professional organisations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

Overview

Futures contracts are derivative products that provide means for hedging and asset allocation and are prevalent in nearly all sectors of the global economy. The asset underlying futures contracts could be a physical asset (such as an agricultural commodity) or a financial asset (such as interest rates, foreign exchange products and stock indices). A commodity (as traded on an exchange) is an undifferentiated product whose market value arises from the owner's right to sell the product rather than the right to use the product. Examples of commodities currently traded globally on exchanges include crude oil, gold, copper and various agricultural products such as wheat, corn and soybeans.

Commodity futures contracts are commitments to make or accept delivery of a specified quantity and quality of a commodity at a set time in the future for a price established at the time the commitment is made. The buyer agrees to take delivery of the underlying commodity, while the seller agrees to make delivery. In practice, futures markets are rarely used to actually buy or sell the physical commodity being traded and only a small number of contracts traded worldwide each year result in delivery of the underlying commodity. Instead, traders generally offset (a buyer will liquidate by selling the contract, the seller will liquidate by buying back the contract) their futures positions before their contracts mature. Commodity futures contracts are primarily made available through a centralised trading or computerised matching process, with bids and offers on each contract traded publicly. Through this process, a prevailing futures market price is reached for each commodity futures contract, based primarily on the laws of anticipated supply and demand. Many markets abroad also offer trading in options contracts in commodities. Options are contracts that provide the buyer the right and the seller the obligation to buy or sell, respectively, a futures contract at a certain price for a limited period of time. Under the current Indian regulations, we are not permitted to offer trading in commodity options.

Commodities traded on commodity futures exchanges are required to be delivered near the specified contract expiry date, depending on the delivery option, and at the fixed settlement price (due date rate), ignoring all changes in the market prices. As such, trading in commodity futures allows hedging to protect against serious losses in a rising or declining market, speculation for gain in a rising or declining market and utilising the arbitrage opportunities available. For example, a seller may enter into a futures contract agreeing to deliver grain in two months at a set price. Even if the grain market declines at the end of two months, the seller will still get the higher price specified in the futures contract. If the market rises, however, the buyer stands to gain by paying the lower contract price for the grain and reselling it at the higher market price. For a dealer, manufacturer or exporter who is not generally interested in speculative losses or gains, his only interest is to ensure that he gets the necessary protection against unforeseen fluctuations in prices. Therefore the futures market provides such hedging protection to the various stakeholders in the commodities industry.

Like other futures contracts, commodity futures contracts are traded in standardised units in a transparent, competitive, continuous open floor-based trading or electronic matching process. In this way, commodity futures are able to attract diverse participation and facilitate price discovery. An effective and efficient market for trading in commodity futures requires the following:

- volatility in the prices of the underlying commodities;
- large numbers of buyers and sellers with diverse profiles (e.g., hedgers and speculators);
- fungibility of the underlying physical commodities;
- efficient and liquid exchange platform; and
- robust risk management and surveillance system.

The Global Commodity Futures Market

There are over 30 commodity futures and options exchanges worldwide that trade commodities ranging from energy, metals, agriculture to livestock in many countries including the United States, China, Japan, Malaysia and the United Kingdom. (*Source: Futures Industry Association (FIA), FI magazine September 2011 (FIA Report)*). Some of the commodity futures and option exchanges in the FIA Report are group exchanges, which comprise several individual exchanges that form part of those group exchanges.) The commodity exchanges trade in physical commodity products, as well as in financial instruments. Trading is mostly done in futures and options contracts. Spot trading calls for immediate delivery of a specified commodity and is often used to obtain the goods necessary to fulfill a seller's delivery obligations under futures contracts. According to the FIA Report, strong levels of growth were seen in the trading volume of commodity futures and options, especially those relating to nonprecious metals, agricultural, energy and precious metals commodities. The trading volume of futures and options contracts of non-precious metals decreased by 37.7% to 190.37 million for the six months ended June 30, 2011 as compared to the six months ended June 30, 2010, while the trading volume of futures and options contracts of agricultural commodities decreased by 9.1 % to 529.59 million contracts during the same period. The trading volume of futures and options contracts of precious metals rose by 49.8% to 127.49 million contracts between the same period and that of futures and options contracts of energy products rose by 16.0% to 416.24 million contracts for the same period.

Metals Futures

The metal futures contracts include a wide variety of metal commodities, which are typically classified into precious and non-precious metals. Precious metals include gold, silver and platinum. Non-precious metals include lead aluminium, copper and zinc. Gold is the most popular precious metal in metal futures contracts trading. Trading in gold futures provides individual investors with an easy and convenient alternative to the traditional means of investing in gold, such as bullion, coins, and mining stocks. In addition, a broad cross-section of companies in the gold industry, from mining companies to fabricators of finished products, can use gold futures contracts to hedge their price risk. For a discussion on the most actively traded metals on our Exchange, see —The Indian Commodities Market—Background—Non-Agricultural Commodity Industry in India.

Energy Futures

Energy futures contracts include energy commodities such as crude oil, natural gas, heating oil, gasoline and coal. Over the past several years, the markets for energy commodities trading have been characterised by rapid growth and high liquidity, which we believe is due to several factors, including:

- increased market acceptance of the value of commodity futures as risk management tools;
- greater access to futures markets through technological innovation;
- increased price fluctuation in crude oil, partially created by geopolitical conditions in oil producing countries and increased demand in emerging economies;
- increased price fluctuation in natural gas, partially created by weather conditions and increased demand in emerging economies;
- increased demand for commodities as a distinct asset class for portfolio diversification;
- increased participation in energy markets by financial institutions, such as banks and hedge funds;
- increased awareness of the ability to obtain or hedge market exposure through the use of futures and options contracts; and
- changes in the regulatory environment of energy markets around the world, specifically electricity and natural gas.

Methods of Trading

Historically, trading at futures exchanges occurred exclusively on physical trading floors in arenas called pits through an auction process known as open outcry. Open outcry trading is face-to-face trading, with each trader serving as his or her own auctioneer. The traders stand in pits and make bids and offers to one another, by shouting or flashed hand signals, to buy and sell futures contracts. Only members owning or leasing a seat on the exchange may trade in the pit, and orders from individual and institutional traders are sent to these members on the trading floor, usually through a broker. The rules of many exchanges may also permit block trading, which involves the private negotiation of large purchases and sales away from the trading floor, but which are settled and cleared through the exchange's clearing facilities.

In order to expand access to their markets, most futures exchanges, either exclusively or in combination with open outcry trading facilities, are beginning to provide electronic trading platforms that allow subscribing customers to obtain real-time information about bid and ask prices and trading volumes. Such electronic platforms also allow its users to enter orders directly into the platform's centralised order book, subject to the agreement of a clearing firm accepting responsibility for settling resulting transactions on behalf of the customer. The emergence of electronic trading is the result of ongoing development of sophisticated electronic order routing and matching systems, risk management and surveillance systems as well as advances in communication networks and protocols.

Liquidity of Markets

Liquidity of markets is a key component in attracting customers and ensuring the success of a market. Liquidity is important because it means a contract is easy to buy or sell quickly with minimal price disturbance and minimal impact cost. Liquidity is a function of the following:

- the number of participants trading in a contract;
- the size or notional value of the positions that participants are willing to accommodate; and
- the prevailing spread between the levels at which bids and offers are quoted for relevant contracts.

Consequently, the volume of contracts or transactions executed on an exchange is a widely recognised indicator of liquidity on the exchange. Volume is stated in single-sided trades, which represent either matched buy or sell orders. In addition, the daily total of positions outstanding on an exchange, or open interest, and notional values of contracts traded are widely recognised indicators of the level of customer interest in a specific contract.

A neutral, transparent and relatively anonymous trading environment, as well as a reputation for market integrity, is critical to the establishment and maintenance of a liquid exchange. In addition, a successful exchange must provide cost-effective execution and have access to an advanced technology infrastructure that enables reliable and efficient trade execution, as well as dependable clearing and settlement capabilities. An exchange should also have an efficient and robust risk management and surveillance system.

Market Participants

An efficient exchange for commodity futures requires a large number of market participants with diverse risk profiles. Market participants can be broadly divided into three categories:

Hedgers: Hedgers are generally commercial producers, processors, exporters, importers and consumers of traded commodities who participate in the commodity futures market to manage their cash market price risk. As commodity prices are volatile, participation in the futures markets allow hedgers to protect themselves against the risk of losses from fluctuating prices. Hedging is a type of insurance facility against risk from market price volatility.

Speculators: Speculators are traders who speculate on the direction of futures prices with the goal of making a profit. Since speculators participate in commodity futures market for trading and investment purposes, they typically do not accept physical delivery of commodities and instead liquidate their positions prior to or upon expiry of their futures contracts.

Arbitrageurs: Arbitrageurs are traders who simultaneously buy and sell futures contracts to make money on price differentials across different futures contracts or markets or exchanges.

Clearing and Settlement

Transactions executed on a futures exchange are settled through a clearing house that guarantees the settlement of trades done through the exchange. Clearing houses typically facilitate the clearing and settlement process by providing netting. Each clearing firm must be a clearing member of the exchange. Upon trade execution, the clearing house acts as a counterparty to each side of the trade. Under the rules of derivatives exchanges generally, a clearing firm must require that initial margin (which is similar to a security deposit or a performance bond) be deposited by a member who engages in trading activity in amounts at least equal at all times to those specified by the exchanges. Frequently, a clearing firm will require that a client post an additional and/or special margin in excess of the amount specified by the exchange as initial margin to provide additional security. In turn, the clearing firm posts margin with the exchange's clearing house in respect of its clients' positions. In the case of futures contracts, these positions are typically marked-to-market (MTM) on at least a daily basis. The clearing house will issue an MTM margin call to the clearing firm for additional margin in respect of its clients' positions following adverse market movements, or will credit a clearing firm with MTM margin gains in respect of its members' positions following favourable market movements, at the end of every trading day.

The measures used to evaluate the strength and efficiency of a clearing house include the following:

- the number of transactions that are processed per day;
- the amount of settlement payments that are handled per day; and
- the amount of collateral deposits managed by the clearing house.

Industry Growth

In 1984, total trading volume for futures and options contracts traded globally was 188.00 million contracts. (Source: FIA, FIA Annual Volume Survey: The Invigorating Effects of Electronic Trading, Futures Industry, March/April, 2005). In 2010, total contract volume had grown to 22,295.20 million, representing an average compounded annual growth rate of 20.2% for the past 26 years. For the six months ended June 30, 2011, total contract volume traded was 12,402.54 million. (Source: FIA, FIA Report).

Trends in the Industry

Globalisation, increasingly sophisticated market participants, deregulation, advances in technology and consolidation are changing the way in which the global futures and broader commodities and derivatives exchange markets operate. Each of these trends is described briefly below.

Globalisation

In recent years, the world's financial and commodity derivatives markets have experienced an accelerating pace of globalisation. The emphasis on greater geographic diversification of investments, investment opportunities in the emerging markets in Asian economies, such as India, Korea and China, and expanded cross-border commercial activities are leading to increasing levels of cross-border trading and capital movements. Growth and increasing standards of living in emerging economies including China and India, are causing imbalances in supply and demand of industrial and agricultural commodities. In response to these trends, derivatives exchanges within particular geographic regions are both expanding access to their markets across borders and consolidating.

Although the Indian market is currently domestic in nature, commodities are global in nature and the Indian commodity derivatives market is highly correlated with the global commodity derivatives market. Large end-users and producers of commodities are permitted to hedge their risk in global markets and have also gradually started using the domestic market. The commodity futures exchanges in India have formed strategic alliances globally to increase the integration of the Indian market with the larger global markets. Foreign institutional investors, mutual funds and banks may be permitted to participate in the Indian commodity derivatives markets.

Increasingly Sophisticated Market Participants

An increasingly sophisticated investment community is creating pressure on the financial services industry to utilize more sophisticated risk management techniques, including derivatives.

In addition, increasing pressure from a variety of market participants to improve transparency and to manage more effectively counterparty risks is causing a shift from over-the-counter to exchange-traded derivatives. The Indian commodity derivatives market initially began with physical market participants predominantly taking membership and now there is an increased participation of financial market players in the commodity futures market. Global financial institutions, hedge funds and proprietary trading firms have committed, and are expected to continue to commit, increasing amounts of capital to trading in global commodity futures and options on futures contracts.

Deregulation

Deregulation and the opening of markets within the financial services industry in the United States, Europe and Asia have increased customer access to products and markets, reduced regulatory barriers to

product innovation and encouraged consolidation. For example, in the United States, many regulatory barriers to product development were largely repealed by the enactment of the Commodity Futures Modernization Act of 2000. The financial services industry in Europe and Asia has experienced similar changes in their regulatory regimes. Regulators and exchanges in number of Asian countries, including India, have encouraged more developed derivatives markets and liberalisation of their markets.

Technological Advances and Migration to Fully Electronic Trading Markets

Technological advances have led to significant changes both to the decentralisation of exchanges and the introduction of alternative trading systems (ATS).

- Decentralisation: Exchanges are no longer required to operate in specific geographic locations, and customers no longer need to act through local financial services intermediaries in some markets. Market participants around the world are now able to trade certain products nearly 24 hours a day through electronic platforms.
- Algorithmic Trading / High Frequency Trading: Algorithmic trading is common in the U.S. and Europe markets and uses strategies that exploit short-lived market opportunities and depend highly on execution speed. Essentially, set software programmes decide when, how and where to trade, without the need for human intervention.
- Direct Market Access. Direct Market Access (DMA) is a facility that allows brokers to offer clients direct access to the exchange trading system through the brokers' infrastructure without manual intervention by the brokers. Some of the advantages offered by DMA include the ability to directly control and faster execution of client orders, reduced risk of errors associated with manual order entry, greater transparency, increased liquidity, lower impact costs for large orders, better audit trails and better use of hedging and arbitrage opportunities through the use of decision support tools and algorithms for trading.
- Co-Location Facility: Co-location facility is akin to proximity hosting, except that the exchange hosts the subscriber's server in its data centre, which helps in faster movement of data and execution of trades. The broker with his server next to the exchange engine gets a price feed updated in three to four milliseconds. A broker at a remote location will get the same at a higher latency depending upon the mode of connectivity and the distance from the exchange engine.

The advent of the internet and increasing acceptance and adoption of electronic trading and corresponding decline in floor-based trading has reduced clearing fees, extended trading hours and improved execution efficiency, price transparency and ease of access for a large pool of participants. This development has stimulated higher trading volumes in the derivatives markets among existing participants, and it has also attracted new market participants to these markets, further contributing to increased trading activity.

The Indian Commodities Market

Commodities play an important role in India's economy. India has over 7,000 regulated agricultural markets, or *mandis*, and the majority of the nation's agricultural production is consumed domestically, according to the Agricultural Marketing Information Network (*Source: Agricultural Marketing Information Network official website*). India is the world's leading producer of several agricultural commodities. The agriculture sector accounted for approximately 14.2 % of India's gross domestic product (GDP) at a constant price (2004-05) for the fiscal 2011. India's GDP at current market prices for the fiscal 2011 was estimated to be Rs. 78,779.47 billion (*Source: Economic Survey 2010-11*). There are currently 21 commodity

exchanges recognised by FMC in India offering trading in over 60 commodity futures with the approval of FMC. In the fiscals 2009, 2010 and 2011, the total value of commodities traded on commodity futures exchanges in India was Rs. 52,489.57 billion, Rs. 77,647.54 billion and Rs. 119,489.42 billion, respectively. The total value of commodities traded on commodity futures exchanges in India for the first nine months ended December 31, 2011 was Rs. 137,228.55 billion.

Background

Agricultural Commodity Markets

India has a predominantly agrarian economy and its commodity markets have a long history. India's agricultural commodity markets were initially formed when producers and buyers met at designated locations to trade in their produces. India's wholesale spot markets for agricultural commodities have remained relatively unchanged. Agricultural commodities are predominantly traded in government-regulated wholesale markets or mandis. Mandis are often located in or near important towns or centres of production, consumption or shipping where sellers, buyers and intermediaries converge to buy and sell goods. Since almost all orders flow through the mandis, they are a source of daily information about the quantity of agricultural commodities and the price at which agricultural commodities trade for the respective geographic areas in which the mandis are located.

Non-Agricultural Commodity Industry in India

Energy products, precious metals like gold and silver and non-ferrous metals play a significant and vital role in the growth of the Indian economy. The following discusses some of the commodities which most actively traded on our Exchange.

Gold: Nations have embraced gold as a store of wealth and a medium of international exchange, and individuals buy gold as insurance against the day-to-day uncertainties of paper money. Gold is also a vital industrial metal, used in electronics and other high-tech applications. Gold occupies an important role in India. Apart from being a symbol of wealth, many social and cultural elements of Indian culture are associated with gold. However, despite being the largest consumer of gold, the Indian market has limited influence on the price of gold bullion in the world markets as it is heavily dependent on imports and its markets are scattered across the country.

Crude oil: Many markets are related with the global crude oil market in various ways. Crude oil is used for the production of a wide range of products from petrol, diesel, kerosene and from liquefied petroleum gas to naphtha and other petrochemicals products. India imported 81.1% and 81.5% of its crude oil requirements during this fiscal 2011 and eight months ended November 30, 2011, respectively, and was highly exposed to global crude oil price movements.

Silver: Silver is sought as a valuable and practical industrial commodity, and as an appealing investment. The largest industrial users of silver in India are in the photographic, jewellery, and electronic industries.

Copper: Copper is the world's third most widely used metal, after iron and aluminium, and is primarily used in highly cyclical manufacturing industries. In India, copper is the second most consumed non-ferrous metal, after aluminium. At present, the demand for copper minerals for primary copper production is met through two sources, namely copper ore mined from indigenous mines, and imported concentrates. The production of refined copper in India has increased considerably since the fiscal 1999 after private sector manufacturers started production of refined copper, and now a considerable portion of consumption is met through domestic production. According to the estimates of the Indian Copper

Development Centre, in the fiscal 2010, refined copper usage in India was approximately 550,000 MT. (Source: Annual Report of the Ministry of Mines 2010-11).

The Indian Commodity Derivatives Markets

The history of commodity futures markets in India dates back to 1875 when trading in cotton contracts began under the auspices of the Bombay Cotton Trade Association, which is considered as India's first organised futures market. Subsequently, trader began to trade in oilseeds, jute and food grains. By the Second World War, futures trading in an organised form had also commenced in other commodities such as castor seed, wheat, rice, sugar and precious metals like gold and silver. In 1953, the Forward Markets Commission (—FMC—) was established to regulate commodity futures trading. The growth and development of commodity futures markets was halted in the 1960s when commodity futures trading was banned en masse by the Government of India. From the late 1970s, select commodities were permitted for futures trading. Futures trading witnessed a renewed surge in the 1990s, in tandem with India's economic liberalisation, as the growing realisation of imminent globalisation under the World Trade Organisation (WTO) regime. Further, the Government of India experienced difficulty in supporting the prices in the Indian commodity markets, leading to the exploration of alternative market-based mechanisms, such as futures trading, to offer protection to the commodity sector from price volatility. On April 1, 2003, the Government of India issued a notification which rescinded previous regulatory barriers to trading in commodity futures. At that time, there were 21 regional commodity exchanges mainly concentrating on a single or few commodities. Subsequently, the Government of India authorised the establishment of national multi-commodity exchanges to facilitate electronic trading of commodity futures, three of which, MCX, NCDEX and NMCE, were operational by the end of the calendar year 2003. There are currently five electronic multi-commodity national exchanges which are recognised by the Government of India, namely:

- Multi Commodity Exchange of India Limited (MCX), our Exchange, located in Mumbai;
- National Commodity and Derivatives Exchange Limited (NCDEX), located in Mumbai;
- National Multi Commodity Exchange Limited (NMCE), located in Ahmedabad;
- Indian Commodity Exchange Limited (ICEX), located in Gurgaon; and
- Ace Derivatives and Commodity Exchange, located in Ahmadabad (ACE).

In July 2010, FMC announced new guidelines for all national commodity exchanges with respect to the regulatory framework for market access through Authorised Persons. These guidelines provide that all national commodity exchanges should discontinue the system of sub-brokers, by whatever name called. The guidelines allowed the member of the national commodity exchanges to provide access to their clients only through Authorised Persons. Authorised Person is defined to mean and include any person whether being an individual (including proprietors), a partnership firm as defined under the Indian Partnership Act 1942, a Limited Liability partnership (LLP) or body corporate as defined under the Companies Act, 1952 who is appointed as such by a member of a recognised commodity derivative exchange upon the approval of such commodity exchange, for providing access to the trading platform of commodity derivative exchange, as an agent of the member of the commodity derivative exchange. The guideline requires the exchanges to take appropriate steps to ensure smooth transition within a stipulated time frame of not more than 60 days from the date of issue of this guideline and further extended thereafter.

In August 2010, FMC gave 'in- principle' approval to Universal Commodity Exchange (UCX) to set up a national multi-commodity exchange. UCX has been given one year to set up required infrastructure and capital to function as a national commodity exchange.

In September 2010, Ministry of Consumer Affairs in consultation with the FMC decided to allow eight commodity exchanges to function at the national level. The Indian Cabinet in September 2010 approved

amendments to the Forward Contracts (Regulation) Act 1952, creating the way for the introduction of the Forward Contracts (Regulation) Amendment Bill, 2010 in Parliament.

Regulation of Indian Commodity Exchanges

We operate in a highly regulated industry. The Forward Contracts (Regulation) Act, 1952 (FCRA) is the principal legislation for the commodity futures market in India. The FCRA and the Forward Contracts (Regulation) Rules, 1954 (FCRR) provide for the regulation of commodity futures trading under a three-tier system, which consists of the following governing bodies:

- the Department of Consumer Affairs, Ministry of Consumer Affairs Food and Public Distribution;
- FMC; and
- an Exchange or Association recognised by the Central Government on the recommendation of FMC.

On May 14, 2008, the Department of Consumer Affairs, Ministry of Consumer Affairs Food and Public Distribution issued revised guidelines to regulate the grant of recognition to new national commodity exchanges under the provisions of the Forward Contracts (Regulation) Act, 1952. These guidelines were further amended on June 17, 2010. It specifies a two-stage process for granting recognition to a new exchange.

First Stage: In the first stage, applications for setting up a nationwide multi-commodity exchange may be submitted by reputed associations, companies, organisations or consortia of such entities to the Government through FMC. The Government, on being satisfied that it would be in the interest of trade and public good to do so, may grant in-principle approval for setting up of a national multi-commodity exchange. In-principle approval may be granted to the applicant who fulfils the prescribed criteria, such as:

- the proposed exchange, sponsored or promoted by associations, companies, organisations or a consortium of such entities should be registered as a public limited company incorporated under the Companies Act, 1956 with a minimum authorised equity capital of Rs. 1,000.0 million;
- the proposed exchange shall have a demutualised structure, i.e. the shareholders of the exchange will not have any trading interest therein;
- one or more of the initial partners or members of the promoter consortium must be a Government company, as defined in the Companies Act, 1956, contributing at least 26.0% of the paid up equity capital of the proposed exchange;
- the shareholding of institutional investors shall not be less than 20.0% with a minimum of 10.0% from the category of Government companies, co-operative societies (as defined in the Societies Act), federations manufacturing or marketing agricultural inputs or marketing agricultural produce or owning and operating warehouses;
- stock or commodity exchanges and public financial institutions are subject to the following rules:
 - (i) no single stock exchange (along with any person acting in concert) is permitted to hold more than 5.0% in the paid up equity share capital of the exchange. The cumulative holding of other stock exchanges in the relevant stock exchange shall not increase more than 10.0%;

- (ii) no single commodity exchange (along with any person acting in concert) is permitted to hold more than 15.0% of the paid up equity capital of the commodity exchange; and
- (iii) the cumulative shareholding of all stock or commodity exchanges (along with any person acting in concert) in the a national commodity exchange is not permitted to exceed 20.00% at any given point of time;
 - no individual shall hold more than 1.0% of the paid up equity capital of the exchange and the total of such individual holdings shall not exceed 25.0% of the paid up capital;
 - no single shareholder either individually or together with persons acting in concert with it shall be allowed to hold more than 40.0% of the paid up equity capital of the proposed exchange;
 - investment in the initial paid up capital by shareholders shall be subject to a lock-in period of three years from the date of recognition of the exchange, unless otherwise permitted by FMC in exceptional cases;
 - an investor holding more than 26.0% of shares has to reduce its shareholding to a maximum of 26.0% within four years of the date of recognition of the exchange; and
 - shareholders have to align their shareholding in accordance with the guidelines notified by the Government from time to time.

Second Stage: FMC's guidelines specifies that in the second stage, the applicant who has been granted an in principle approval will have to comply with the conditions imposed by the Government within a period of one year from the date of grant of in-principle approval. These conditions include:

- to increase paid up capital to at least Rs. 1,000.0 million
- to set up facilities for online trading with national reach and an efficient real time monitoring and surveillance system;
- provide for an efficient clearing and settlement system including establishment of a settlement guarantee fund;
- arrange for an efficient delivery mechanism through an adequate network of accredited warehouses;
- have an independent and professional management;
- provide for adequate infrastructure for dissemination of real time price and trade information;
- provide for adequate infrastructure for research and development on commodities, contracts and development of trade;
- submit draft rules, regulations and bye-laws for conduct of business for in-principle approval of FMC;
- plan for a network of well organised and capitalised brokerage houses as members and other intermediaries; and
- provide for an efficient and effective grievance redressal mechanism.

Commodity Exchanges in India

There are currently 21 commodity exchanges and associations which are recognised by the Government of India and authorised to organise and regulate futures trading in various commodities. Of these

exchanges, 16 are regional or localised exchanges, which are spread across India. Most of these regional exchanges practice the open-outcry system. Some of these regional exchanges trade in just a few commodities. The five national multi-commodity exchanges, namely MCX, NCDEX, NMCE, ICEX and ACE offer electronic trading in numerous commodity futures contracts. Four of these exchanges MCX, NCDEX, NMCE and ICEX accounted for 98.8% of the turnover of commodity futures contracts traded in India during the fiscal 2010. These five national multi-commodity exchanges (including ACE, which was started in October 2010) accounted for 99.4% and 99.7% of the turnover of commodity futures contracts traded in India for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

Multi Commodity Exchange of India Limited (MCX): MCX received permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations for commodity futures markets in September 2003. Trading commenced on our Exchange in November 2003. According to data maintained by the FMC, for the fiscals 2009, 2010, 2011 and the nine months ended December 31, 2011, our Company had 87.4%, 82.3%, 82.4% and 87.3% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (Source: Market share data maintained by FMC). According to FMC data, 43 and 47 commodities were traded on MCX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

National Commodity and Derivatives Exchange Limited (NCDEX): NCDEX commenced operations in December 2003. For the fiscals 2009, 2010, 2011 and the nine months ended December 31, 2011, NCDEX had 10.2%, 11.8%, 11.8% and 9.4% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (Source: Market share data maintained by FMC). According to FMC data, 34 and 29 commodities were traded on NCDEX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

National Multi Commodity Exchange of India Limited (NMCE): NMCE was India's first demutualised national multi-commodity exchange, having commenced futures trading in November 2002. For the fiscals 2009, 2010, 2011 and nine months ended December 31, 2011, NMCE had 1.2%, 2.9%, 1.8% and 0.9% of the market share of the Indian commodity futures exchange industry, respectively, in terms of the value of commodities traded in futures markets during the relevant period. (Source: Market share data maintained by FMC). According to FMC data, 24 and 26 commodities were traded on NMCE for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

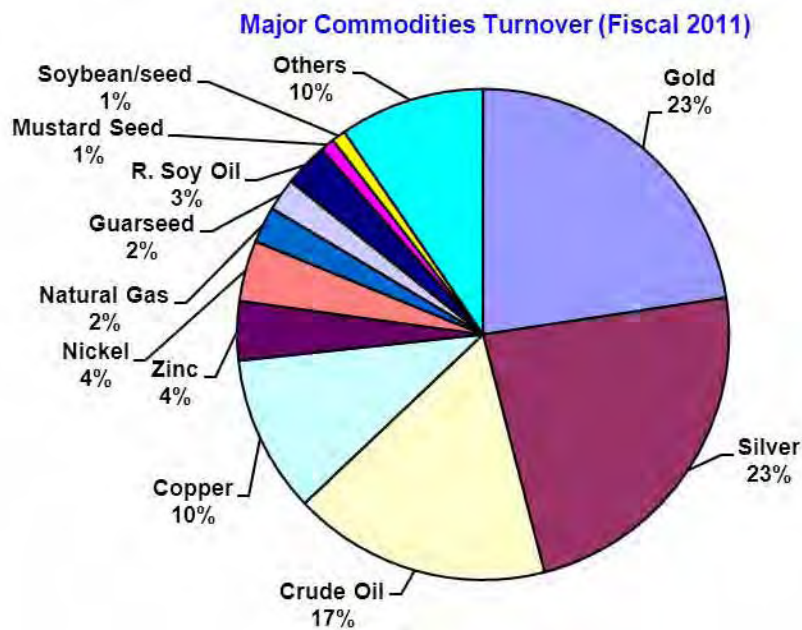
Indian Commodity Exchange Limited (ICEX): ICEX received FMC approval to begin operations as a national bourse in October 2009. On November 27, 2009, ICEX commenced trading operations. ICEX became the fourth national level exchange after MCX, NCDEX and NMCE. ICEX had 1.8%, 3.2% and 1.4% of the market share of the Indian commodities futures industry in terms of the value of the commodities traded in futures markets for the fiscals 2010 and 2011 and the nine months ended December 31, 2011, respectively. According to FMC data, 14 and 13 commodities were traded on ICEX for the fiscal 2011 and the nine months ended December 31, 2011, respectively.

ACE Derivatives & Commodity Exchange Limited (ACE): Ace Derivatives and Commodity Exchange, which transformed from a regional exchange to a national multi-commodities futures trading platform, was launched on October 27, 2010. ACE had 0.3% and 0.7% of the market share of the Indian commodities futures market in terms of the value of the commodities traded in futures markets for the fiscal 2011 and the nine months ended December 31, 2011. According to FMC, six and eight commodities were traded on ACE during the fiscal 2011 and the nine months ended December 31, 2011, respectively.

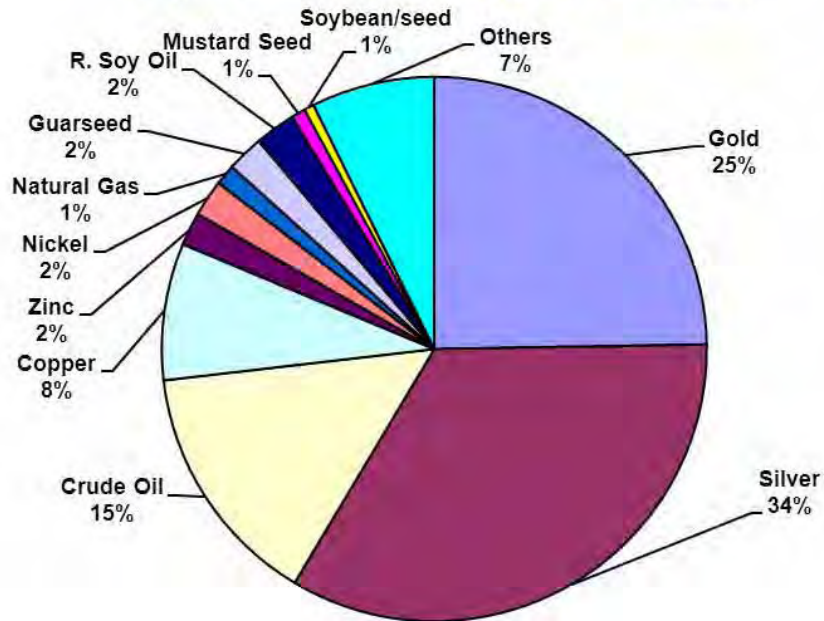
Industry Growth in India

Commodity futures trading in India has grown since the Government of India issued a notification on April 1, 2003 permitting futures trading in commodities. The total value of commodities futures traded in India in the fiscal 2011 was Rs. 119,489.42 billion, representing growth of approximately 90-fold from the value of commodity futures contracts traded in the fiscal 2004, which was Rs. 1,293.67 billion. Commodity futures trading volumes have risen at a compound annual growth rate of 90.9% between fiscal 2004 and fiscal 2011.

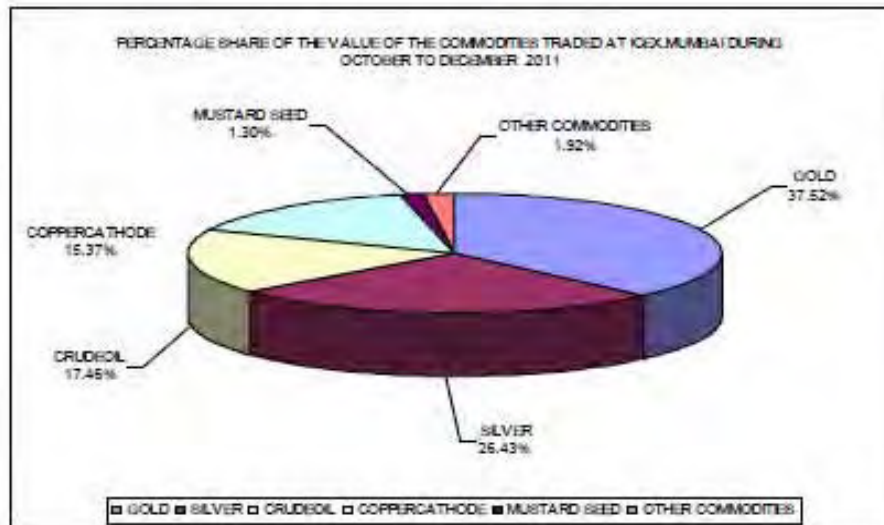
There are currently over 60 commodities futures that have been approved by the FMC for trading during the calendar year 2011 with gold, silver, crude oil, copper, zinc, nickel and natural gas comprising the majority of the trading turnover for the fiscal 2011 and the nine months ended December 31, 2011, as depicted in the graph below:



Major Commodities Turnover (April-December 2011)



A graph indicating the percentage share of the major commodities traded at ICEX, Mumbai during the period October-December 2011 is given below.



Growth Drivers in the Industry

The following factors are expected to contribute the future growth of the Indian commodity futures markets:

Indian Economic Growth: India is one of the fastest growing economies in the world, with an average GDP at a factor cost (2004-05 prices) estimated growth rate of 8.6% per annum during the fiscal 2011. (Source: Economic Survey 2010-11). We believe the growth of the overall economy in India is expected to drive the underlying demand for commodities. The increase in physical market volumes may increase the hedging requirements of industry players, which influences derivative trading volumes. In developed markets,

commodity derivatives volumes are generally a multiple of the underlying physical commodity volumes. Therefore, as the consumption of physical commodities increases in India, the volumes of commodity derivatives being traded may also increase.

Government of India Initiatives to Modernise Commodity Futures Markets: The Government of India's initiatives, some of which are listed below, to modernise the commodity futures markets are expected to further stimulate trading interest in commodity futures and commodities generally

Introduction of Options: According to the FIA, options trading volumes in the global derivatives markets constituted around 50.8% of the total futures and options volumes traded for the six months ended June 30, 2011. If trading in commodity options are permitted by the Government, it may lead to increases in volumes and overall growth in the Indian commodity derivatives market.

Introduction of New Commodity Classes: If the trading of intangibles such as freight, rainfall and commodity indices are permitted by the Government, these new contracts may drive the growth in the Indian commodity derivatives trading market.

Increased Investor Participation: New participants are expected to enter the commodity trading markets as exchanges become more accessible, availability of market information increases and awareness regarding the benefits of hedging becomes more widespread. These new market participants may include the following:

- equity investors seeking to diversify their equity portfolios;
- manufacturers seeking to hedge against input price risks;
- oil refiners seeking to hedge their crack spreads; and
- banks seeking to hedge their risk against collateral.

The Government of India may also consider permitting banks, mutual funds and foreign institutional investors to trade in India's commodity futures markets. The entry of these new market participants may lead to increases in the trading volumes of commodity futures in India.

Technological advancements: The adoption of technological advancements by national exchanges would enable electronic trading and increased geographical reach. Other factors such as reliability of systems, risk management tools, price transparency and real time information through improved technology has also led to increased participation in the commodity futures markets.

Migration of trading volumes: At present, regional exchanges recognised by the Government of India are fragmented and illiquid, which reduces their attractiveness to investors. Trading volumes from regional and unregulated markets may migrate to national, multi-commodity exchanges with higher liquidity, transparent pricing, central clearing, robust risk management and surveillance system, efficient delivery mechanism and lower delivery and cash risks.

OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Comfort Commotrade Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 68 of the Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 92 of this Prospectus.

We are currently engaged in the business of commodity broking. We are the member of MCX and NCDEX. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

OUR COMPETITIVE STRENGTHS

Leveraging the experience of our Promoters

Our Promoters Mr. Anil Agrawal and Mrs. Annu Agrawal have collectively more than twenty years of experience in the field of capital market including business advisory, capital Market transactions, research, broking and merchant banking. During this tenure they have developed good client base, technical capability & contributed in the growth of our Company and our group companies.

Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personnel having knowledge of all aspects of marketing, finance and broking. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Growth driven

Our Company has witnessed substantial growth in past few years. Income from operations of our Company was nil in the fiscal 2007-08 which increased to Rs. 51.35 Lacs in the fiscal 2011-12 resulting in the increase of 100.00 % over the past 5 years. Profit after tax of our Company has increased from Rs. (0.22) Lacs to Rs. 20.26 Lacs resulting in the increase of 101.09 % over the past 5 years.

OUR GROWTH STRATEGY

We have maintained cordial relations with all of our existing customers and have received continued patronage from them in the form of repeat business.

Increase geographical presence

We are currently located in Malad in Mumbai. Going forward we plan to establish our presence in the Southern India and we intend to set up regional offices in two (2) cities in Southern India namely Chennai and Hyderabad. Our emphasis is on expanding the scale of our operations as well as growing our network in Southern India, which we believe present attractive opportunities to grow our client base and revenues.

Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients.

SWOT

Strengths

- Experienced Promoters and management team
- Cordial relationship with Customers

Weaknesses

- Limited geographical coverage
- Dependent upon growth in Commodity broking industry
- Dependence upon existing customers for our business

Opportunities

- Establishment of market in neighboring states
- Potential to increase the business in the existing facility

Threats

- Industry is prone to change in government policies
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

OUR PROPERTIES

The details of property leased by our Company are as under:

Sr. No.	Location	Title (Leased /Owned)	Date of Agreement / Acquisition	Agreement Valid till
1.	A-301, Hetal Arch, S.V.Road, Malad (West), Mumbai-400064.	Leased	26/04/2012	25/03/2013

Note 1: Our Company does not propose to acquire any land from the IPO Proceeds.

Note2: Interest in property by our Promoters and Promoter Group

The Registered Office of our Company situated at A-301, Hetal Arch, S.V.Road, Malad (West), Mumbai-400064, is owned by our promoter and our Promoter Group, Mrs. Annu Agrawal and Anil Agrawal (HUF) on the monthly rent of Rs.5000 to each licensor.

PURCHASE OF PROPERTY

We have not entered into any agreement to buy/sell any property with the Promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

INTELLECTUAL PROPERTY

We have entered into an agreement dated 10th April, 2012 with our group company Comfort Intech Limited to use the trademark for a period of five years at a consideration of Rs. 1,000 p.a. The trademark is registered in the name of Comfort Intech Limited under the Trademarks Act of 1999 *vide* registration no. 1559010.

INSURANCE POLICIES

We have taken insurance policies covering the following:

Insured	Comfort Commotrade Limited
Policy type	Stock broker indemnity insurance
Property insured	Fidelity, Securities, cash, property, incomplete transactions, computer crime indemnity
Coverage	Securities and cash
Policy no.	11170036112200000161
Agency	The New India Assurance Company Limited
Sum insured (Rs.)	5,00,000/-
Total premium (Rs.)	2,813/-
From	29/03/2012
Valid up to	28/03/2013

Insured	Comfort Commotrade Limited
Policy type	Stock broker indemnity insurance
Property insured	Fidelity, Securities, cash, property, incomplete transactions, computer crime indemnity
Coverage	Securities and cash
Policy no.	11270036112200000584
Agency	The New India Assurance Company Limited
Sum insured (Rs.)	5,00,000/-
Total premium (Rs.)	6,749/-
From	23/11/2011
Valid up to	22/11/2012

RISK MANAGEMENT

We believe that effective risk management is of primary importance to the success of our operations. Accordingly, we have deployed necessary resources in terms of technology, people and processes to

monitor, evaluate and manage the principal risks we assume in conducting our activities which include market, credit & liquidity, operational, legal and reputation risks.

We analyze factors and reasons causing risk on a periodic basis, plan for control of identified risks, decide on and implement appropriate risk management tools and monitor policies and procedures with the view of continuous improvement.

➤ **Risk management policy and organization**

Our Risk management limits the exposure and margins of each client whether they are serviced directly by us or through a Business Associate. We believe that we have effective procedures for evaluating and managing the market, credit and other risks to which we are exposed, as well as protecting our reputation in the market. To meet the need for a robust and efficient risk management system, we have created a risk management cell which is regionally operational and centrally controlled and administered by the head office team at Mumbai in order to mitigate business risk. Risk management policies are decided by a risk management committee. This committee is constituted of senior officials of our Company. These policies are monitored, reviewed and revised periodically.

➤ **Risk monitoring and mitigation**

We use products from leading software companies such as Acer Softwares Private Limited, Back office software of Commex along with multiple in-house software programs to monitor, among other things, client level margins and MTM losses. These software packages enable us to provide broking services through our remote branches, including online trading for various categories of clients. We have experienced personnel to manage risk and regulatory compliance and ensure implementation of risk management policy. The risk management policy is controlled by the top management of our Company. All the regional risk team members work under the direction and control of the central risk management team at our head office. Team reviews set monitoring parameters, suggest changes on the basis of regulatory and stock exchange requirements and share best practices.

➤ **Risk management levels:**

Risk management in our Company is carried out at the client-level, the scrip-level and the company-level:

a) Client-level risk management:

This is carried out by using online surveillance and monitoring tools developed by professional software companies in the industry and with the help of Comfort's internal team. We have developed procedures to serve multiple clients' requirements and controlling the overall risk at the same time. Trading parameters are set on a dynamic basis and are robust enough to incorporate changes required due to market conditions and clients' trading potential.

b) Product-level risk management:

We use internal 'product-based margining', which is based on various parameters including impact cost, liquidity, volatility and market price fundamentals. We maintain product level, group level and segment level margins and limits as per the policy. The product list with new margin rates is revised using established parameters on a periodic basis.

c) Company-level risk management:

Technology is optimized internally to implement established risk policies, create and maintain support to end users and implement robust data and network backup plans so that company-wide risk in our business can be reduced.

- ***Real-time risk management***

For real time risk management, a software called “Protector”, and also a part of the software “ODIN” named “ADMIN” is used. Both these softwares are supplied by Financial Technology (India) Limited. “Protector” is complemented by a real-time risk management system that gives users information on clients’ open positions. This system can evaluate risks at pre-trade and post-trade levels on a dynamic or real time basis. The integrated risk management features allow our risk management team to exercise a high degree of control over the entire process. This assists us in keeping a check over the exposure limit utilized by various clients and also enables us to take action to mitigate risk in due course.

- ***Security and disaster recovery***

We have a information security policy and conduct periodic systems and network penetration tests to review the vulnerability of our infrastructure. At least three recent and complete backups (not incremental backups) made on different dates containing the company’s critical records are always stored offsite. This policy ensures that a sufficient number of backup copies are always available for an important restore operation following an emergency or a disaster. If only one copy was used, the same could be damaged during a restore operation.

- ***Compliance***

We have in place an independent and comprehensive compliance structure to address compliance and reputation risk. The compliance function is headed by company secretary who reports to the Corporate Governance Committee of the Company on matters relating to prevention of Insider trading as specified in the policy. The Compliance department’s role is to ensure that the Company operates in accordance with the laws and regulations of the exchanges and regulators. The Compliance officer provides support for each of the businesses. In addition, the Department provides advice on general regulatory matters, including policy, advertising, anti - money laundering, account opening, personal investment, and maintenance of Chinese wall, prevention of Insider Trading and general policies and procedures relating to regulations. The Compliance department is the main liaison arm of our Company with the regulators and handles all regulatory matters. It also ensures that persons connected to our Company do not profit by dealing in securities on the basis of unpublished price sensitive information.

- ***Limited access to confidential information***

As the commodity trading activity is one of the main area which handles price sensitive information, the work areas and personnel engaged in the commodity trading activity have been physically segregated and have a secure and distinct network access. This ensures that persons not normally privy to the confidential information handled by these departments do not have access to such information. All employees are required to maintain adequate security of their computer files by using appropriate login and password. Access to network folders is restricted only to personnel belonging to a particular department. Similarly, computer equipment has been allocated to each

particular department and personnel from other departments are restricted to use the same.

- ***Preservation of Price Sensitive Information***

We have an insider trading policy in place. As per the policy all connected and deemed to be connected persons including, directors, officers and designated employees of the company shall maintain the confidentiality of all unpublished price sensitive information. Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc. Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need such information to discharge their duties. All files, whether electronic or manual, containing confidential information shall be kept secure.

- ***Receivables Management:***

In order to facilitate funds movement, we have adopted a centralized funds management system.

TECHNOLOGY AND NETWORK SUPPORT SYSTEM

We recognize the need to have a sophisticated technology network in place to meet our customer needs, reduce processing costs and maintain a risk management system. For that, we have set up a data centre in Malad, Mumbai and have invested in high-performance trading software. Our technology infrastructure is aimed at ensuring that our trading and information systems are reliable and performance enhancing and that client data are protected.

The highlights of our technology infrastructure and systems include:

1. A technology team comprising of experienced persons in their respective field.
2. Managing a complex multi-product/multi-architecture system serving the needs of our customers.
3. Balanced approach to IT combined with a quick response to business needs.
4. Scalable platforms for order management and risk management requiring minimal human intervention.
5. Sophisticated server and network infrastructure.
6. Redundancy (alternate connectivity) for network.
7. Data back-up is taken on an incremental basis on hard disk drives and sent to another location.

- ***Connectivity infrastructure***

We have set up a Local Area Network (LAN) & leased line at our office at Malad. Additionally, we have a range of service providers which ensures connectivity for the trading platform and other services. All service providers endeavor to minimize time & increase speed.

- ***Internet based Share Trading System***

We have implemented an internet trading platform that allows us to integrate our diverse trading engines into a single platform. This allows customers, dealers and relationship managers to have a unique single window experience across all asset classes and product segments. This internet platform is architecturally scalable to handle a large number of customers concurrently.

- ***Real-Time Risk Management***

For real time risk management, we are using the software “Protector” which is complemented by a real-time risk management system that gives users information on clients’ open positions. This system can evaluate risks at pre-trade and post-trade levels on a dynamic or real time basis. The integrated risk management features allows our risk management team to exercise a high degree of control over the entire process. This assists us in keeping a check over the exposure limit utilized by various clients and also enables us to take action to mitigate risk in due course.

- ***Back office and data processing management***

The back office for the entire organization is centralized at the Malad data centre. We use software named “Tradenet” supplied by Acer that has been specifically customized for our requirements. The software has advanced risk management and reporting capabilities and has been designed and developed to cater the large transaction volumes of our business.

MARKETING SETUP

Our top management and key executives enjoy the confidence of several corporate and retail clients and we market ourselves only to a selected setup of clients. Our Company is headquartered at Malad, Mumbai and we intend to set up regional offices in two (2) cities in Southern India.

COMPETITION

We face the competition in our business from other commodity brokers. Our competitors are other merchant banking firms, merchant bankers, broking firms and financial advisory firms. We compete with some of our competitors nationally and with others on a regional, product or business line basis. Many of our competitors have substantially large capital base and resources than we do and offer a broader range of financial products and services. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. However, there are no comparable listed peer group companies in the Commodity segments.

EMPLOYEES

As on 25th June, 2012, we employed approximately 3 persons on a full-time basis.

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant regulations and policies as prescribed by the Central/State Governments that are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Transfer of Property Act, 1882

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

The Easements Act, 1882

The law relating to easements is governed by the Easements Act, 1882 ("Easements Act"). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the "dominant owner", or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Indian Stamp Act, 1899

The Indian Stamp Act, 1899 ("Stamp Act") and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

Income-tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

Approvals from Local Authorities

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Foreign Trade (Development and Regulation) Act, 1992

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a

person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non compliance.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable.' The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Commodities Regulation under FCRA

Commodities trading, is governed by the Forward Contracts (Regulation) Act, 1952 ("FCRA") and the Forward Contracts (Regulation) Rules, 1954 ("FCRR"). The FCRA provides, *inter alia*, for the establishment of the Forward Markets Commission ("FMC"). Associations interested in dealing with forward contracts, such as commodity exchanges like the MCX and NCDEX must make applications in the prescribed format as provided under the FCRA. A trading-cum-clearing member or an institutional clearing member of such an exchange is a person who has the right to clear transactions in contracts that are executed in the trading system of the exchange. A trading cum-clearing member is therefore subject to the rules and bye-laws framed by the exchanges in order to govern the trade in commodities. In case of difference between the provisions of any rules, the regulations or bye-laws of the exchange and the provisions of FCRA or FCRR, the provisions of the FCRA or FCRR shall prevail, except where the FCRA or FCRR allows the application or enforcement of the rules, articles, bye-laws or regulations of the exchange.

OUR HISTORY AND CORPORATE STRUCTURE

HISTORY & BACKGROUND

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited " vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai.

We are currently engaged in the business of commodity broking. We are the member of MCX and NCDEX. Our Company is registered under the Companies Act, 1956 with registration no. U51311MH2007PLC175688.

Our Promoters are Mr. Anil Agrawal and Mrs. Annu Agrawal.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY SINCE INCEPTION

Our Company has not shifted registered office of the Company since incorporation.

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

- 1) To become a member of MCX / NCDEX and any other commodity exchange acquired through purchase or transfer or gift or by any other means.
- 2) To buy, sell, trade in all kind of commodities and commodity derivatives and to carry on business of broking in commodities as a member of commodity exchanges anywhere in India and abroad and to become member and participate in trading, settlement and other activities of commodity exchange/s (including national multi-commodity exchange/s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in future and in derivatives of all the above commodities permitted under the laws of India'.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
27 th March, 2012	Increase in authorized capital of the Company from Rs. 50 Lacs divided into 5,00,000 Equity Shares of Rs. 10 each to Rs. 810 Lacs divided into 81,00,000 Equity shares of Rs. 10 each.
25 th April, 2012	Increase in authorized capital of the Company from Rs. 810 Lacs divided into 81,00,000 Equity Shares of Rs. 10 each to 1010 Lacs divided in to 1,01,00,000 Equity shares of Rs. 10 each.
21 st May, 2012	Conversion of our Company from Private Limited to Limited and subsequently name changed from Comfort Commotrade Private Limited to Comfort Commotrade Limited
6 th August, 2012	Increase in authorized capital of the Company from 1010 Lacs divided in to

DATE	AMENDMENT
	1,01,00,000 Equity shares of Rs. 10 each.to 1105 Lacs divided in to 1,10,50,000 Equity shares of Rs. 10 each.

MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
2007	Incorporation of the Company in the name and style of “Comfort Commotrade Private Limited”
2008	Obtained membership of MCX as trading cum clearing member
2011	Obtained membership of NCDEX
2012	Conversion of Company from Private Limited to Public Limited

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Prospectus.

SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on the date of filing of the Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Prospectus.

COLLABORATION

Our Company hasnot entered into any collaboration with any third party as per regulation (VIII) B(1)(c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the Prospectus.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 7 (Seven) shareholders on date of the Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<p>Mr. Anil Agrawal S/o Beniprasad Agrawal</p> <p>Flat No. 2401 24th Floor, Anmol Pride, Near Petrol Pump, S.V. Road, Goregaon (West), Mumbai- 400064</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Tenure: Five years with effect from 24.02.2012</p> <p>DIN: 00014413</p>	50 yrs	Whole Time Director	<ol style="list-style-type: none"> 1. Comfort Intech Limited 2. Comfort Capital Private Limited 3. Luharuka Exports Private Limited 4. Luharuka Investment and Consultants Private Limited 5. Comfort Securities limited 6. Luharuka Commotrade Private Limited 7. Luharuka Sales & Services Private Limited 8. Blend Financial Services Limited 9. Luharuka Dealers Private Limited 10. Comfort Fincap Limited 11. Luharuka Tradelink Private Limited 12. Comfort Mines & Minerals Private Limited 13. Shree Bombay Cotton Mills Estate Private Limited
<p>Mr. Bharat Nanubhai Shiroya S/o. Nanubhai Shiroya</p> <p>A-401, Raja Ram Residency, Shivaji Road, Near. Atul Tower, Kandivali - (w), Mumbai, 400067</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>DIN: 00014454</p>	42 yrs	Non-Executive-non-Independent Director	<ol style="list-style-type: none"> 1. Comfort Intech Limited 2. Comfort Securities Limited 3. Comfort Fincap Limited
<p>Mr. Anilkumar Shivkaran Nevatia S/o. Mr. Shivkaran Nevatia</p> <p>201, B Wing, Harichandra CHS,</p>	49 Yrs	Independent Director	<ol style="list-style-type: none"> 1. Comfort Fincap Limited

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
Raheja township, Malad East, Mumbai- 400 097. Occupation: Business Nationality : Indian Tenure: Retire by Rotation DIN: 00531183			
Mr. Sushil K. Jain S/o: Kasturchand Jain Cliff Tower CHS Ltd, flat no 503, plot no 34, Cross road no 3, Swami Samarth Nagar, Andheri (w), Mumbai- 400053. Occupation: Business Nationality : Indian Tenure: Retire by Rotation DIN: 01662552	52 yrs	Independent Director	1. Equator Space Management Private Limited 2. Comfort Securities Limited 3. Comfort Fincap Limited

Note:

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF DIRECTORS

1. Mr. Anil Beniprasad Agrawal, aged 50, is Whole Time Director of our Company. He is a Chartered Accountant and qualified Cost and Works Accountant from ICAI and ICWAI. He has more than 24 years of experience in the field of finance, capital markets, business advisory and related activities. He is one of the trustees of Seth Govindaram Charitable Trust which carries on charitable activities in Mumbai. The Board has the advantage of his wide experience in the financial services field. He is responsible for overall management of business of our Company. He has been a part of management of our Company

since incorporation and he is designated as Whole Time Promoter Director of our Company since 24.02.2012.

2. Mr. Bharat Shiroya, aged 42 years is Non- Executive-non- Independent Director our Company. He is a graduate and M.B.A from National Institute of Management. He has more than 14 years of experience in securities and financial services. He is also qualified for derivatives trading in stock exchange and possesses a diploma for the same. He has been designated as Director of our Company since 2007.

3. Mr. Anilkumar Shivkaran Nevatia, aged 49 years is an Independent Director of our Company. He has completed his graduation in commerce and is a fellow member of ICAI. He is a practicing Chartered Accountant since 1988. He has more than 20 years of experience in the field of commerce, finance, audit and taxation. As an Independent Director of our Company and Chartered Accountant by profession, he brings value addition to the Company. He has been designated as Independent Director of our Company since 16th April, 2012.

4. Mr. Sushil K. Jain, aged 52 years is an Independent Director of our Company. He is a Bachelor of Commerce and L.L.B. (Gen) and has successfully passed intermediate course of Chartered Accountants from ICAI. He is a financial consultant since last 21 years. He has been designated as Independent Director of our Company since 16th April, 2012.

CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

None of the Directors are relatives of each other.

BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 28.05.2012 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 25 Crores.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

Name	Anil Agrawal
Designation	Whole Time Director
Period	Five years with effect from 24.04.2012
Date of Appointment	Board Meeting dated 24.04.2012
Remuneration	NIL
Remuneration paid in FY 31st March, 2012	NIL

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

NON – EXECUTIVE DIRECTORS

Currently, non-executive Directors are not paid any sitting fees.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) Whole Time Director, one (1) non-executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("*Audit Committee*"), as per the provisions of Section 292A of the Companies Act, 1956 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 22nd May, 2012.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently

comprises following three (3) directors. Mr. Anilkumar Shivkaran Nevatia is the Chairman of the Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Anilkumar Shivkaran Nevatia	Chairman	Independent Director
2.	Mr. Sushil K. Jain	Member	Independent Director
3.	Mr. Anil Agrawal	Member	Whole Time Director
4	Ms. Sonia Jain	Secretary	N.A.

Role of Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956. Changes, if any, in accounting policies and practices and reasons for the same
 - b. Major accounting entries involving estimates based on the exercise of judgment by management
 - c. Significant adjustments made in the financial statements arising out of audit findings
 - d. Compliance with listing and other legal requirements relating to financial statements
 - e. Disclosure of any related party transactions
 - f. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("*Shareholders / Investors Grievance Committee*") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 22nd May, 2012. Mr. Bharat Shiroya is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Bharat Shiroya	Chairman	Director
2.	Mr. Anil Agrawal	Member	Whole Time Director
3.	Mr. Sushil K. Jain	Member	Independent Director
4	Ms. Sonia Jain	Secretary	N.A.

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

IPO COMMITTEE

Our Company has constituted an IPO Committee. The IPO Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 22nd May, 2012. The Committee currently comprises of three (3) Directors. Mr. Anil Agrawal is the Chairman of the IPO Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Anil Agrawal	Chairman	Whole Time Director
2.	Mr. Sushil K. Jain	Member	Independent Director
3.	Mr. Bharat Shiroya	Member	Director
4	Ms. Sonia Jain	Secretary	N.A.

The IPO Committee has been vested with powers and authority to take all decisions relating to the Issue and do all such acts and things as may be necessary and expedient for, incident and ancillary to the Issue.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Sonia Jain is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Prospectus:

Name of Director	Number of Equity Shares	% of Pre-Issue Paid up Share Capital
Mr. Anil Agrawal	16,05,000	39.93%
Mr. Bharat Shiroya	1,30,500	3.25%
Total	17,35,500	43.18%

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

PROPERTY INTEREST

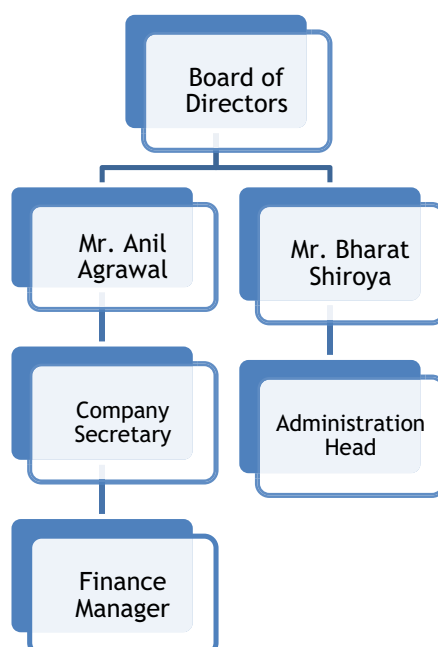
Our Company has not entered into any contract, agreements or arrangement during the preceding two (2) years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of appointment	Date of cessation	Reason
Mrs. Annu Agrawal	-	16/04/2012	Resignation
Mr. Amit Kumar Khemka	-	16/04/2012	Resignation
Mr. Sushil K. Jain	16/04/2012	-	Appointment
Mr. Anilkumar Shivkaran Nevatia	16/04/2012	-	Appointment

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment
Mrs. Nidhi Bapna	01/04/2008	Administration Head	Administrative supervision	Post graduation in Commercial Arts	Not Applicable
Ms. Sonia Jain	02/04/2012	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	M.com, C.S.	Sandeep Jain & Associates, Practicing Company Secretaries
Mr. Kapil Vashishtha	18/01/2008	Compliance Officer	Broking compliances, KYC Regulations, Co-ordination with the clients	M. Sc IT	Not Applicable

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mrs. Nidhi Bapna**, aged 37 years is administration head of our Company. She is associated with our Company since April, 2008. She has done Post graduation in Commercial Arts from Jaipur University. She is responsible for overall administrative supervision.
2. **Ms. Sonia Jain**, aged 25 years is Company Secretary & Compliance Officer of our Company. She has completed M.Com from M.D.S. University, Ajmer and C.S. from Institute of Companies Secretaries of India. She is working with our Company from April, 2012. Her scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 1956. Prior to joining our Company she was working with Sandeep Jain & Associates, Practicing Company Secretaries.

3. **Mr. Kapil Vashishtha**, aged 29, joined our group Company, Comfort Securities Limited on April 15, 2005. He is primarily responsible for compliances under Broking Division of our Company. He is also appointed as compliance officer for the Broking Division and DP Division of Comfort Securities Limited. He holds a Bachelors degree in Science from Rajasthan University and has also done M. Sc in IT from Sikkim Manipal University, Gangtok. He has also passed certificate courses relating to technical field like C++, VB, C#, Cold Fusion, HTML, J Script, Vbscript, MS Access 2000, Oracle.

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial personnel are holding any Equity Shares of our Company.

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31st March, 2012.

CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Ms. Sonia Jain	02/04/2012	-	Appointment

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS


Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters are Mr. Anil Agrawal and Mrs. Annu Agrawal.


Details of our Promoters are as under:

1. Mr. Anil Agrawal

	<p>Mr. Anil B. Agrawal aged 49, is Promoter & Whole Time Director of our Company. He is a Chartered Accountant and qualified Cost and Works Accountant from ICAI and ICWAI. He has more than 24 years of experience in the field of finance, capital markets, business advisory and related activities. He is one of the trustees of Seth Govindaram Charitable Trust which carries on charitable activities in Mumbai. The Board has the advantage of his wide experience in the financial services field. He has been designated as Director of our Company since incorporation. For further details relating to Mr. Anil Agrawal, including address and other directorship, see the section titled as “Our Management” on page 94 of this Prospectus.</p>
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Particulars	Details
Name	Mr. Anil Agrawal
Permanent Account Number	ACTPA6034D
Passport No.	E 7223307
Voter ID	Not Available
Driving License	MH/02/89/5374
Bank Account Details	318004010035084 Union Bank of India

2. Mrs. Annu Agrawal

	<p>Mrs. Annu Agrawal, aged 44 years is a Promoter of our Company. She is a Bachelor of Arts (Hons.) from the Banaras Hindu University and has more than 9 years of experience in the field of capital market including research, dealing etc. She is one of the trustees of Seth Govindaram Charitable Trust which carries on charitable activities in Mumbai. For further details relating to Mrs. Annu Agrawal, including address and other directorship, see the section titled as “Our Management” on page 94 of this Prospectus.</p>
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Particulars	Details
Name	Mrs. Annu Agrawal
Permanent Account Number	ADMPA0248F
Passport No.	E9446565
Voter ID	Not Available
Driving License	MH 0295/7554
Bank Account Details	318004010035082 Union Bank of India

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the BSE Limited, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our promoters are Mr. Anil Agrawal and Mrs. Annu Agrawal. Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoter, Mr. Anil Agrawal, being Whole Time Director, may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled "*Our Management*" on page 94 of this prospectus.

Interest in the property of our Company

Except as disclosed in the section titled 'our business' on page 82 of Prospectus our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest as Member of our Company

As on the date of this Prospectus, our Promoters together hold 20,55,000 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled '*Terms of appointment and compensation of our Directors*' on page 97, our Promoters does not hold any other interest in our Company.

Also see "Our Management-Interest of Directors" on page 100 of Prospectus.

PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Information' and 'Capital Structure' on page nos. 94, 125 and 39 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 146 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 139, our Company has not entered into any related party transactions with our Promoters.

PROMOTER GROUP

The Promoter Group consists of natural persons, HUF's, private companies, trust and partnership/proprietorship firms.

(i) Individual Promoter

- a) The natural persons who are part of our Promoter Group (due to the relationship with our promoters), other than the Promoters named above are as follows:

Relationship	Mr. Anil Agrawal	Mrs. Annu Agrawal
Father	Late Shri Beni Prasad Agrawal	Narayandas Khemka
Mother	Sharda Devi Agrawal	Kantadevi Khemka
Spouse	Annu Agrawal	Mr. Anil Agrawal
Brother	Umakant Agrawal Pradeep Agrawal Manoj Agrawal	Mr. Amit Kumar Khemka
Sister	Manju Khandelia	Anju Ravi Dhelia Brinda Manish Agrawal Ritu Narayandas Khemka Monika Sunil Agrawal
Children	Ankur Agrawal Deepika Agrawal	Ankur Agrawal Deepika Agrawal

- b) Companies, firms and HUFs which form part of our Promoter Group are as follows:

S.N.	Relationship	Mr. Anil Agrawal	Mrs. Annu Agrawal
1	Any company in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	<ul style="list-style-type: none"> • Luharuka Investment & Consultants Private Limited • Luharuka Export Private Limited • Comfort Securities Limited • Luharuka Sales & Services Private Limited • Luharuka Commotrade 	<ul style="list-style-type: none"> • Luharuka Investment & Consultants Private Limited • Luharuka Export Private Limited • Comfort Securities Limited • Luharuka Sales & Services Private Limited • Luharuka Commotrade

S.N.	Relationship	Mr. Anil Agrawal	Mrs. Annu Agrawal
		Pvt. Ltd • Luharuka Dealers Pvt. Ltd • Luharuka Tradelink Private Limited • Comfort Mines & Minerals Private	Pvt. Ltd • Luharuka Dealers Pvt. Ltd • Luharuka Tradelink Private Limited • Comfort Mines & Minerals Private Limited
2	Any company in which a company mentioned in (1) above, holds 10% of the total	• Comfort Intech Limited • Comfort Fincap Limited	• Comfort Intech Limited • Comfort Fincap Limited
3	Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	• Seth Govindaram Charitable Trust • Anil B. Agrawal HUF	• Seth Govindaram Charitable Trust

The details of our Promoter Group companies and entities are provided as below:

1. Comfort Capital Private Limited (CCPL).

Comfort Capital Private Limited was originally incorporated on January 05, 1993 under the Companies Act, 1956 in the State of Maharashtra, in the name and style of Luharuka Advertising Private Limited. Further, the name was changed to Comfort Advertising Private Ltd on October 9, 1996. The name was further changed to Comfort Capital Private Ltd on September 14, 2009. Registered office is located at A/301, Hetal Arch, Opp. Natraj Market, S.V. Road, Malad (West), Mumbai – 400 064. The shares of Comfort Capital Private Limited are not listed on any of the stock exchanges in India. The CIN of CCPL is U74999MH1993PTC070309.

Nature of Business

The main object of CCPL is to carry on business of finance and investments.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	200	0.05%
Ms. Annu Agrawal	9900	2.58%
Ms. Sumitra Devi Jain	12,000	3.13%
Ms. Kalpana Jain	44,500	11.62%
Ms. Veenu Jain	38,500	10.05%
Mr. Ankur Agrawal	29,500	7.70%
Ms. Deepika Agrawal	83,000	21.67%
Naveen Jain (HUF)	31,500	8.22%
Dharmesh Jain (HUF)	38,000	9.92%
Ritesh Jain (HUF)	40,000	10.44%
Darshan Kumar Jain (HUF)	24,500	6.40%
Jambu Kumar Jain (HUF)	31,500	8.22%
TOTAL	3,83,100	100.00%

Financial Performance:

(Rs. In Lacs)

Particulars	For the Financial year ended		
	31 st March, 2011	31 st March, 2010	31 st March, 2009
	(Audited)	(Audited)	
Total Income	4.89	17.59	10.82
Profit/(loss) after tax	(1.02)	8.33	0.61
Share Capital (Equity)	38.31	38.31	1.01
Reserves and Surplus (excluding revaluation reserve)	348.06	349.08	5.05
Earnings Per Share (in Rs.)	(0.27)	3.5	6.02
Book Value per Equity Share (in Rs.)	100.85	101.12	60.00
Face Value per Share (in Rs.)	10	10	10

2. Comfort Fincap Limited (CFL)

Comfort Fincap Limited was originally incorporated as Parasnath Textiles Limited on 12.11.1982 under the Companies Act, 1956 in the State of West Bengal. It obtained certificate of Commencement of Business pursuant to Section 149(3) of the Companies Act, 1956 from the Registrar of Companies, West Bengal vide certificate dated 15.12.1982. The name of Parasnath Textiles Limited was changed to Comfort Fincap Limited w.e.f. 4th June, 2011. The registered office of CFL is located at 22, Block – B, Northern Portion of Unit No. BG, Camac Street, Kolkata– 700 017. The CIN of CFL is L17112WB1982PLC035441. The shares of CFL are listed at Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited and UP Stock Exchange Limited. CFL also proposes to list its shares at BSE Limited and has made an application dated 24th October, 2011 to BSE for listing of its equity shares.

Nature of Business

CFL is presently engaged in the business of investment/ trading in Shares & Securities. CFL is registered with Reserve Bank of India as a Non Banking Financial Company having Registration no. 05.02895

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Mr. Bharat Nanubhai Shiroya	Managing Director
Mr. Anil Kumar Shivkaran Nevatia	Director
Mr. Sushil Kasturchand Jain	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 31st March, 2012 is as follows:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized form	Total Shareholding as a % of total number of shares	Shares Pledged or otherwise encumbered		
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
A	Shareholding of Promoter and Promoter group							
1	Indian							
a.	Individuals/HUFs Directors/Relatives	3	1415000	1415000	13.04	13.04	---	---
b.	Central Govt./ State Govts.	---	---	---	---	---	---	---
c.	Bodies Corporate	1	540500	540500	4.98	4.98	---	---
d.	Financial Institutions/Banks	---	---	---	---	---	---	---
e.	Group Companies	1	3668500	3668500	33.81	33.81	---	---
Sub Total A(1)		5	5624000	5624000	51.83	51.83	---	---
2.	Foreign							
a.	Bodies Corporate	---	---	---	---	---	---	---
b.	Group Companies	---	---	---	---	---	---	---
c.	Individual	---	---	---	---	---	---	---
d.	Institutions	---	---	---	---	---	---	---

Sub Total A(2)		---	---	---	---	---	---	---
Total Shareholding of Promoter group A(1)+A(2)		5	5624000	5624000	51.83	51.83	---	---
B	Public Shareholding							
1.	Institutions							
a.	Central Govt./ State Govts.	---	---	---	---	---	---	---
b.	Financial Institutions/Banks	---	---	---	---	---	---	---
c.	Mutual Funds/UTI	---	---	---	---	---	---	---
d.	Venture Capital Funds	---	---	---	---	---	---	---
e.	Insurance Companies	---	---	---	---	---	---	---
f.	Foreign Institutions Investors	---	---	---	---	---	---	---
g.	Foreign Venture Capital Investors	---	---	---	---	---	---	---
h.	Trusts	---	---	---	---	---	---	---
Sub Total B(1)		---	---	---	---	---	---	---
2.	Non Institutions							
a.	Bodies Corporate	1	3000	---	0.03	0.03	---	---
b1	Individuals- shareholders holding normal share capital upto Rs. 1 lac	519	191050	10600	1.76	1.76	---	---
b 2	Individuals- shareholders holding normal Share capital in excess of Rs.1 lac	85	5033250	4726500	46.38	46.38	---	---
c	Trust	---	---	---	---	---	---	---
d	Any Other (i) Clearing Member						---	---
(ii)	Directors/Relatives	---	---	---	---	---	---	---
(iii)	Employees	---	---	---	---	---	---	---
(iv)	Foreign Nationals	---	---	---	---	---	---	---
a	NRI						---	---
b	NRI(Repat)	---	---	---	---	---	---	---
C	NRI(Non Repat)	---	---	---	---	---	---	---
v	OCB'S	---	---	---	---	---	---	---
vi	Person Acting in Concert	---	---	---	---	---	---	---
Sub Total B(2)		605	5227300	4737100	48.17	48.17	---	---
Total Public Shareholding B(1) + B(2)		605	5227300	4737100	48.17	48.17	---	---
Total A+B		610	10851300	10361100	100.00	100.00	---	---
C	Shares held by Custodians and against which Depository receipts have been issued	---	---	---	---	---	---	---
Grand Total A+B+C		610	10851300	10361100	100.00	100.00	---	---

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2012	31 st March, 2011	31 st March, 2010
	(Audited)	(Audited)	(Audited)
Total Income	3949.74	268.53	19.25
Profit/(loss) after tax	58.52	0.57	10.55
Share Capital (Equity)	1085.13	803.63	73.63
Reserves and Surplus (excluding revaluation reserve)	1047.16	788.65	204.09
Earnings Per Share (in Rs.)	0.57	0.01	1.43
Book Value per Equity Share (in Rs.)	19.65	19.73	37.72
Face Value per Share (in Rs.)	10	10	10

Stock Market Data :-

As per confirmation received from CFL, we hereby state that there was no trading in its equity shares at any of the Stock Exchanges where its shares are listed during the period of last 6 months from the date of this Prospectus.

3. Comfort Intech Limited (CIL)

Comfort Intech Limited was originally incorporated on October 17, 1994 in the name of Comfort Finvest Limited as a public limited company under the provisions of the Companies Act, 1956 and obtained certificate of commencement of business on October 21, 1994. Further the name of the Company was changed to Comfort Intech Limited and a fresh certificate of incorporation reflecting the change of name was issued on March 24, 2000. The registered office of the Company is located at 106 Avkar Algani Nagar, Kalaria, Daman- 396210. The shares of CIL are listed at BSE Limited and Jaipur Stock Exchange. The CIN of CIL is L65921DD1994PLC001678.

Nature of Business: CIL is registered with RBI as a NBFC company having registration no. B 01.00419 and is engaged in NBFC activities.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Managing Director
Mr. Bharat Nanubhai Shiroya	Whole-time Director
Ms. Annu Agrawal	Director
Mr. Jugal Chandrakant Thacker	Director
Mr. Anand Hariprasad Agarwal	Director
Mr. Janak Gunvantrai Mehta	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 31st March, 2012 is as follows:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized form	Total Shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
A	Shareholding of Promoter and Promoter group							
1	Indian							
a.	Individuals/HUFs Directors/Relatives	6	13147305	13147305	4.1093	4.1093	300000	2.28
b.	Central Govt./ State Govts.	---	---	---	---	---	---	---
c.	Bodies Corporate	3	150305024	150305024	46.979	46.979	---	---
d.	Financial Institutions/Banks	---	---	---	---	---	---	---
e.	Group Companies	---	---	---	---	---	---	---
Sub Total A(1)		9	163452329	163452329	51.0887	51.0887	300000	0.18
2.	Foreign							
a.	Bodies Corporate	---	---	---	---	---	---	---
b.	Group Companies	---	---	---	---	---	---	---
c.	Individual	---	---	---	---	---	---	---
d.	Institutions	---	---	---	---	---	---	---
Sub Total A(2)		---	---	---	---	---	---	---
Total Shareholding of Promoter group A(1)+A(2)		9	163452329	163452329	51.0887	51.0887	300000	0.18
B	Public Shareholding							
1.	Institutions							
a.	Central Govt./ State Govts.	---	---	---	---	---	---	---
b.	Financial Institutions/Banks	---	---	---	---	---	---	---
c.	Mutual Funds/UTI	---	---	---	---	---	---	---
d.	Venture Capital Funds	---	---	---	---	---	---	---
e.	Insurance Companies	---	---	---	---	---	---	---
f.	Foreign Institutions Investors	---	---	---	---	---	---	---
g.	Foreign Venture Capital Investors	---	---	---	---	---	---	---
h.	Trusts	---	---	---	---	---	---	---
Sub Total B(1)		---	---	---	---	---	---	---
2.	Non Institutions							
a.	Bodies Corporate	240	41715924	41707924	13.038	13.038	---	---

b1	Individuals-shareholders holding normal share capital upto Rs. 1 lac	6522	32517355	32079612	10.16	10.16	---	---
b 2	Individuals-shareholders holding normal Share capital in excess of Rs.1 lac	180	82117098	81657845	25.66	25.66	---	---
c	Trust	---	---	---	---	---	---	---
d	Any Other (i) Clearing Member	9	11533	11533	0.0036	0.0036	---	---
(ii)	Directors/Relatives	---	---	---	---	---	---	---
(iii)	Employees	---	---	---	---	---	---	---
(iv)	Foreign Nationals	---	---	---	---	---	---	---
a	NRI	---	---	---	---	---	---	---
b	NRI(Repat)	26	12841	114841	0.038	0.038	---	---
C	NRI(Non Repat)	---	---	---	---	---	---	---
v	OCB'S	---	---	---	---	---	---	---
vi	Person Acting in Concert	---	---	---	---	---	---	---
Sub Total B(2)		6977	156485751	155571755	48.911	48.911	---	---
Total Public Shareholding B(1) + B(2)		6977	156485751	155571755	48.911	48.911	---	---
Total A+B		6986	319938080	319024084	100.00	100.00	300000	0.09
C	Shares held by Custodians and against which Depository receipts have been issued							
(i) Promoter and Promoter group		---	---	---	---	---	---	---
(ii) Public		---	---	---	---	---	---	---
Grand Total A+B+C		6986	319938080	319024084	100.00	100.00	300000	0.09

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2012	31 st March, 2011	31 st March, 2010
	(Audited)	(Audited)	(Audited)
Total Income	1610.64	11818.56	4813.88
Profit/(loss) after tax	208.16	157.58	198.21
Share Capital (Equity)	3199.55	3199.38	1599.69
Reserves and Surplus (excluding revaluation reserve)	5749.10	5615.48	733.44
Earnings Per Share (in Rs.)	0.07	0.05	0.12
Book Value per Equity Share (in Rs.)	2.80	2.75	1.44
Face Value per Share (in Rs.)	1	1	1

Stock Market Data :-

Month	High (Rs.)	Date of High	Volume	Low (Rs.)	Date of Low	Volume	Total Volume in the Month	Average price (Rs.)
July 2012	1.74	04-07-12	20000	1.50	31-07-12	3850	968375	1.57
June 2012	2.18	11-06-12	89461	1.48	28-06-12	4811	2073471	1.85
May 2012	2.01	02-05-12	114723	1.65	31-05-12	66527	2153208	1.84
April 2012	2.18	04-04-12	152437	1.85	26-04-12	93577	1883629	2.01
March 2012	2.28	12-03-12	173485	1.90	28-03-12	141001	3545262	2.09
February 2012	2.40	02-02-12	277753	2.00	15-02-12	200607	3550530	2.23

CIL has come out with a rights issue in the year 2010-2011 at a price of Rs. 4/- per share. The market price of the equity shares as on 26.06.2012 is Rs. 1.61 per share. For details relating to cost and progress on implementation of the project in comparison with the cost and implementation schedule given in the offer document please refer to page no. 163 of the Prospectus.

4. Comfort Mines and Minerals Private Limited (CMMPL)

Comfort Mines and Minerals Private Limited was incorporated on 2nd November 2011. The registered office of CMMPL is located at 16, Central Avenue, 1st Floor, Choubey Colony, Raipur – 492 001. The CIN of CMMPL is U10100CT2011PTC022741.

Nature of Business: To prospect for explore, open, raise, win, get and quarry coal, minerals, oils, metals and precious metals, diamonds and other precious stones, and other mineral substances, stones of all kinds, clay brick, earth and slate, to develop and turn to account any mines, mineralogical or metalliferous land and quarries, clay, brick, earth and slate; coke to extract gas and oil, and other byproducts, crush, smelt, refine, amalgamate and prepare for market the produce of any mines, quarries, clay, brick, earth and slate; to burn and prepare lime and treat in any matter which the company may think fit all mineral and quarry products whether the property of the company or not, and whether in any state of India or elsewhere; and to sell, dispose of, and deal in such produce, either in a manufactured state or otherwise, and any materials or substances or by-products resulting from or to be obtained in the process of coking or extracting gas oil crushing, smelting, refining or manufacturing such produce and either free from or in combination with other substances and to acquire and use plant for the above purpose or any of them.

To purchase, take on lease, or otherwise acquire under any tenure hold and acquire options in any mines, metalliferous or mineralogical land mining rights, prospectors' or other claims, diggers' licenses and quarries in India together with the whole or part of such assets of the Proprietors of the premises so acquired used in connection with or belonging thereto or which may usefully be employed in or about the premises so taken over.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director
Mr. Roopam Agrawal	Director

Name	Designation
Mr. Amarkant Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	2,500	25.00%
Ms. Annu Agrawal	2,500	25.00%
Mr. Roopam Agrawal	2,500	25.00%
Mr. Amarkant Agrawal	2,500	25.00%
TOTAL	10,000	100.00%

Financial Performance:

Since CMMPL has been incorporated in the current financial year no audited financial information has been prepared till the date of the Prospectus.

5. Comfort Securities Limited (CSL)

CSL was incorporated on 19th July, 2002. CSL is a diversified financial services company offering a wide range of products & services covering merchant banking, equity broking, currency derivatives and depository participants to all kinds of investors, namely, retail, high networth individuals and institutional. It is a professionally managed Company led by Mr. Anil Agrawal and Mrs. Annu Agrawal who have collectively more than 24 years of experience in the financial markets and have steered the growth of the Company. The CIN of CSL is U67120MH2002PLC136562.

It is headquartered at Malad, Mumbai and operates through 9 branches located at Indore, Jaipur, Mumbai, Kolkata, Gujarat and Kashmir and another 6 business associates. In Mumbai, it operates from 4 branches. The locations of the offices are driven by the demand for its financial products. CSL is a member in the cash and derivative segments of both BSE and NSE, currency derivative segment of BSE, NSE and MCX-SX. It is also registered as a DP with CDSL and is registered as Category I Merchant Banker with SEBI.

Board of Directors

S. No.	Name of the Director	Designation
1.	Mr. Anil B. Agrawal	Promoter/Director
2.	Mrs. Annu A. Agrawal	Promoter/Director
3.	Mr. Amit Khemka	Whole Time Director
4.	Mr. Jugal C. Thacker	Non Executive & Non Independent Director
5.	Mr. Bharat N. Shiroya	Non Executive & Non Independent Director
6.	Mr. Chandrakala Purohit	Independent Director
7.	Mr. Shiv Ratan Agarwal	Independent Director
8.	Mr. Sushil K. Jain	Independent Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares held	% holding
Mr. Anil B.Agrawal	657,500	5.60
Mrs. Annu A. Agrawal	5,340,000	45.45
Comfort Intech Limited	5,750,000	48.94
Anil Agrawal HUF	625	Negligible
Mr. Ankur Agrawal	625	Negligible
Mr. Amit Khemka	625	Negligible
Mr. Bharat N. Shiroya	625	Negligible
Total	11,750,000	100.00

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2011	31 st August, 2010	31 st March, 2009
	(Audited)	(Audited)	(Audited)
Total Income	559.23	702.35	232.59
Profit/(loss) after tax	259.05	379.47	112.85
Share Capital (Equity)	1,175.00	1,175.00	180.00
Reserves and Surplus (excluding revaluation reserve)	464.67	233.02	484.54
Earnings Per Share (in Rs.)	2.20	3.38	6.27
Book Value per Equity Share (in Rs.)	13.66	11.83	36.30
Face Value per Share (in Rs.)	10.00	10.00	10.00

6. Luharuka Commotrade Private Limited (LCPL)

Luharuka Commotrade Private Limited was incorporated on June 22, 2010 under the Companies Act, 1956 in the State of Maharashtra, having its registered office at A 301 Hetal Arch Opposite Natraj Market S. V. Road Malad (West) Mumbai- 400 064, The shares of Luharuka Commotrade Private Limited are not listed on any of the stock exchanges in India. The CIN of LCPL is U51109MH2012PTC204611.

Nature of Business

The main object of the company is to carry on business as portfolio managers, consultants, advisors for capital issues, investment consultants and management advisers to corporate bodies' individuals and others in commercial and industrial management. To make project evaluation, feasibility studies, projects report forecasts and surveys and to give expert advice and suggest ways and means for improving efficiency in business organizations and to carry on in India or abroad the business as traders, merchants, wholesalers, retailers brokers, suppliers, indenters, buying and selling agents or otherwise to exchange handle in all types of equipments, commodities consumables, accessories, spare parts, ingredients systems, substances, instruments, raw materials, waste residue, residue derivatives, appliances, stores used in any industry, commerce, transport, public welfare needs, constructions, power transmission pollution.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	1,45,000	26.90%
Ms. Annu Agrawal	5,000	0.93%
Anil Agrawal HUF	1,00,000	18.55%
Mr. Ankur Agrawal	81,000	15.03%
Ms. Deepika Agrawal	2,08,000	38.59%
TOTAL	5,39,000	100.00%

Financial Performance:

Particulars	For the Financial year ended
	31 st March, 2011 (Rs. In Lacs)
	(Audited)
Total Income	0.05
Profit/(loss) after tax	0.01
Share Capital (Equity)	53.90
Reserves and Surplus (excluding revaluation reserve)	608.36
Earnings Per Share (in Rs.)	0.002
Book Value per Equity Share (in Rs.)	122.63
Face Value per Share (in Rs.)	10

7. Luharuka Dealers Private Limited (LDPL)

Luharuka Dealers Private Limited was incorporated on December 8, 2010, under the Companies Act, 1956 in the State of Maharashtra, having its registered office at, A-301, Hetal Arch, S.V. Road, Malad West, Mumbai 400064. The shares of Luharuka Dealers Private Limited are not listed on any of the stock exchanges in India. The CIN of LDPL is U51109MH2010PTC210772.

Nature of business

To carry on the business of dealing in various commodities, substances, articles, merchandise, goods, and things whether solid or liquid or gaseous, licences, merchants, traders, sales organizers, representatives of manufacturers of commodities, goods articles, merchants, traders, sales organizers, representatives of manufactures of commodities, goods articles, materials and things and for that purpose to buy, to sell exchange, market, pledge, distribute, install, service, maintain, or otherwise deals in commodities, goods articles and things and agency business.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	5,000	50.00%
Ms. Annu Agrawal	5,000	50.00%
TOTAL	10,000	100.00%

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)
	31 st March, 2012
	(Audited)
Total Income	0.01
Profit/(loss) after tax	(0.20)
Share Capital (Equity)	1.00
Reserves and Surplus (excluding revaluation reserve)	(0.20)
Earnings Per Share (in Rs.)	(2.00)
Book Value per Equity Share (in Rs.)	7.80
Face Value per Share (in Rs.)	10.00

8. Luharuka Exports Private Limited (LEPL)

Luharuka Export Private Limited was incorporated on January 5, 1993 under the Companies Act, 1956 in the State of Maharashtra, having its registered office at , 227, Natraj Market, S.V. Road, Malad (West), Mumbai – 400 064. The shares of Luharuka Export Private Limited are not listed on any of the stock exchanges in India. The CIN of LEPL is U51900MH1993PTC070308.

Nature of Business

The company is incorporated to carry on business of export / import and to deal in any type of goods for foreign trading.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	57,625	37.12%
Ms. Annu Agrawal	15,925	10.26%
Anil Agrawal HUF	36,833	23.73%
Mr. Ankur Agrawal	44,853	28.89%
TOTAL	1,55,236	100.00%

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2011	31 st March, 2010	31 st March, 2009
	(Audited)	(Audited)	(Audited)
Total Income	16.11	11.93	10.82
Profit/(loss) after tax	15.70	9.44	10.72
Share Capita (Equity)	15.52	9.98	9.98
Reserves and Surplus (excluding revaluation reserve)	2,021.08	348.59	339.15
Earnings Per Share (in Rs.)	14.01	9.45	17.22
Book Value per Equity Share (in Rs.)	1,337.79	359.20	349.75
Face Value per Share (in Rs.)	10.00	10.00	10.00

9. Luharuka Investment & Consultants Private Limited (LICPL)

Luharuka Investment & Consultants Private Limited was incorporated on September 13, 1989 under the Companies Act, 1956 in the State of Maharashtra, having its registered office at , 227, Natraj Market, S.V. Road, Malad (West), Mumbai – 400 064. The shares of Luharuka Investment & Consultants Private Limited are not listed on any of the stock exchanges in India. The CIN of LICPL is U67190MH1989PTC053454.

Nature of Business:

The main object of the company is to carry on business of financing, investing and financial advisory services.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	91,850	42.57%
Ms. Annu Agrawal	33,950	15.73%
Anil Agrawal HUF	63,730	29.53%
Mr. Ankur Agrawal	26,270	12.17%
TOTAL	2,15,800	100.00%

Financial Performance:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2011	31 st March, 2010	31 st March, 2009
	(Audited)	(Audited)	(Audited)
Total Income	16.81	9.63	11.33
Profit/(loss) after tax	9.58	7.48	10.88
Share Capita (Equity)	21.58	17.24	17.24
Reserves and Surplus (excluding revaluation reserve)	2066.07	357.28	349.80
Earnings Per Share (in Rs.)	4.44	4.34	6.31
Book Value per Equity Share (in Rs.)	967.37	217.20	212.85
Face Value per Share (in Rs.)	10	10	10

10. Luharuka Sales & Services Private Limited (LSSPL)

Luharuka Sales & Services Private Limited was incorporated on July 5, 2010 under the Companies Act, 1956 in the State of Maharashtra, having its registered office at A- 301 Hetal Arch, Opposite Natraj Market, S. V. Road, Malad (West), Mumbai- 400064, The shares of Luharuka Sales & Services Private Limited are not listed on any of the stock exchanges in India. The CIN of LSSPL is U51909MH2012PTC205252.

Nature of Business

The main object of the company is to carry on business of dealing in various commodities, substances, articles, merchandise goods, and things whether solid or liquid or gaseous. This means to include buying and selling and dealing as representatives of manufacturers.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	29,200	54.19%
Ms. Annu Agrawal	24,680	45.81%
TOTAL	53,880	100.00%

Financial Performance:

Particulars	For the Financial year ended	
	31 st March, 2011 (Rs. In Lacs)	
	(Audited)	
Total Income	0.18	
Profit/(loss) after tax	0.02	
Share Capita (Equity)	5.39	

Particulars	For the Financial year ended	
	31 st March, 2011 (Rs. In Lacs)	
Reserves and Surplus (excluding revaluation reserve)	50.49	
Earnings Per Share (in Rs.)	0.04	
Book Value per Equity Share (in Rs.)	103.34	
Face Value per Share (in Rs.)	10	

11. Luharuka Tradelink Private Limited (LTPL)

Luharuka Tradelink Private Limited was incorporated on 16th June, 2011 under the Companies Act, 1956 in the State of Maharashtra, having its registered office at A-301 Hetal Arch, Opposite Natraj Market, S. V. Road, Malad (West), Mumbai-400064. The CIN of LTPL is U51909MH2011PTC218760.

Nature of Business:

The main object of the company is to carry on business of dealing in various commodities, substances, articles, merchandise goods, and things whether solid or liquid or gaseous. This means to include buying and selling and dealing as representatives of manufacturers.

Board of Directors:

Name	Designation
Mr. Anil Agrawal	Director
Ms. Annu Agrawal	Director

Shareholding Pattern:

The shareholding pattern of the Company as on 25th June, 2012 is as follows:

Name	No. of Shares Held	% Holding
Mr. Anil Agrawal	5,000	50.00%
Ms. Annu Agrawal	5,000	50.00%
TOTAL	10,000	100.00%

Financial Performance:

Since LTPL was incorporated on June 16, 2011 financials for the last three years are not available.

Trusts:

12. Seth Govindram Charitable Trust:

PAN: AAATS2703C

Date of Formation: 20.03.1995

Address: 227, Natraj Market, S.V. Road, Malad (West), Mumbai- 400 064

Objects:

Seth Govindram Charitable Trust is a registered Trust, primarily formed to work in Social, Educational, Cultural, Sports and Health areas to help the needy and unfortunate people of the society. The Trust has organised various programmes of the benefit of the society and is aimed at cultural and social upliftment.

Name of Trustees:

Mr. Anil Agrawal
 Mrs. Annu Agrawal
 Mr. Ankur Agrawal

The brief financials for the last three years based on financial statements are as under:

Particulars	For the Financial year ended (Rs. In Lacs)		
	31 st March, 2011	31 st March, 2010	31 st March, 2009
	(Audited)	(Audited)	(Audited)
Total Income	119.49	5.7	6.47
Surplus after tax	1.28	0.25	2.27
Corpus Fund	111.75	84.69	53.06
Surplus/ Deficit as per Income & Expenditure	5.78	4.5	4.25

13. Finsolution Services FZE (FSFZE)

Finsolution Services FZE was incorporated in the RAK Investment Authority on 25.01.2012 as a Free Zone Establishment under registration number RAKIA 74 FZ301 12 5099 and is a wholly owned subsidiary of Comfort Intech Limited. The registered office of FSFZE is located at P.O. Box 31291, Al Jazeera Al Hamra, Ras Al Khaimah, United Arab Emirates.

Nature of Business: Management consultancy services

Managers : Mr. Ankur Agrawal and Mr. Bharat Shiroya

Financial Performance:

Since FSFZE has been incorporated in the current financial year no audited financial information has been prepared till the date of the Prospectus.

DECLARATION

We confirm that the permanent account number, bank account number and passport number of our individual promoters will be submitted to BSE Limited at the time of filing the Prospectus.

SICK COMPANIES

No Promoter Group companies listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of the Promoter Company and Promoter Group companies. Except as disclosed in this chapter the Promoter Group companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group

has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

COMMON PURSUITS

One of our Promoter group Company, namely, Luharuka Commotrade Private Ltd, by its memorandum of Association has object similar to that of our company's business. As on the date of filing of this Prospectus, Luharuka Commotrade Private Limited is not in the business of Commodity broking. However, in the future, the company may venture in to the businesses similar to that of our Company. This may result in a conflict of interest with respect to business strategies of our Company.

LITIGATION

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled "Outstanding Litigations and Material Developments" on page 146 of the Prospectus.

DISASSOCIATED BY THE PROMOTER IN THE LAST THREE YEAR

Our promoters have disassociated from :

- **M/s A.K. Luharuka & Associates** : It was a sole proprietary concern of Mr. Anil Agrawal under whose name and style Mr. Anil Agrawal practicing as a Chartered Accountant. The reason of dissociation was surrendering of the Certificate of Practice by Mr. Anil Agrawal. The date of dissociation is April 01, 2012.

SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & PROMOTER GROUP ENTITIES

There are no sales or purchases between our Company and Promoter Group entities which exceeds in value aggregating ten per cent of the total sales or purchases of our Company.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The dividends declared by our Company during the last five fiscal years are detailed in the following table:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Face value per Equity Share (Rs.)	10	10	10	10	10
Dividend Paid (Rs.)	2,68,000	34,000	1,45,000	1,16,000	NIL
Rate of Dividend (%)	2.00	1.00	5.00	4.00	NIL
Dividend Distribution Tax (Rs.)	43,476	5,647	24,083	19,714	NIL

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 14 of restated financial statement under the section titled “*Financial Information*” on page 125 of the Prospectus.

SECTION V
FINANCIAL INFORMATION
AUDITORS REPORT ON RESTATED FINANCIAL INFORMATION

**The Board of Directors,
Comfort Commotrade Limited
A-301, Hetal Arch,
S. V. Road,
Malad (West),
Mumbai - 400 064**

Dear Sirs,

1. We have examined the financial information of COMFORT COMMOTRADE LIMITED ("the Company"), annexed to this report, as approved by the Board of Directors of the Company & Audit Committee of Board of Directors, which has been prepared in accordance with requirements of :
 - a) Paragraph B of Part II of Schedule II to the Companies Act, 1956 ('the Act') and amendments thereof;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and related clarifications and the amendments made thereto from time to time ('the SEBI Guidelines'); and
 - c) The Guidance Note on the Reports in Company Prospectuses (Revised) and Guidance Note on audit Reports / Certificates on Financial information in Offer Documents Issued by the Institute of Chartered Accountants of India (ICAI) and
 - d) In terms of our engagement agreed upon with you in accordance with our Engagement letter

Financial Information as per audited financial statements:

- 2) The Management of the Company is responsible for the preparation of the restated Financial Statements from the audited financial statements for the financial years/period ended on March 31, 2008, 2009, 2010, 2011 and 2012.
- 3) Audit for the period ended 31st March, 2008 was conducted by M/s. Ramanand & Associates, Chartered Accountants and for the financial years ended 2009, 2010 and 2011 was conducted by previous auditor M/s. PKC & Associates, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.
- 4) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Comfort Commotrade Limited, we, M/s. Bansal Bansal & Company, Chartered Accountants, statutory auditors, of Comfort Commotrade Limited have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.
- 5) The financial information for the above periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement. We have reported on the financial information on the basis information and explanations provided by the management, books and records

produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached financial information of the company with the respective audited financial statements.

- 6) In accordance with the requirements of Paragraph B Part II of Schedule II of the Act, the SEBI Guidelines and the Engagement Letter, we further report that:
- a) The Restated Statement of Assets and Liabilities of the Company as at March 31, 2008, 2009, 2010, 2011 and 2012 examined by us, as set out in Annexure 1 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
 - b) The Restated Statement of Profit or Loss of the Company for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 examined by us, as set out in Annexure 2 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
 - c) The Restated Statement of Cash flows of the Company for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 examined by us, as set out in Annexure 4 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
 - d) Based on the above, we are of the opinion that the restated financial information has been made after incorporating:
 - i) adjustments for any material amounts in the respective financial years to which they relate; and
 - ii) there are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
 - iii) Recomputation of Financial Statements in accordance with the correct accounting policies
 - iv) There was no change in accounting policies, which needs to be in the "Restated Summary Statements".
 - v) There are no revaluation reserves, which need to be disclosed separately in the "Restated Summary Statements".
 - vi) There are no audit qualifications requiring adjustments in the "Restated Summary Statements" and audit qualifications which do not require any adjustments in the "Restated Summary Statements" and Non – quantifiable / Non - adjustments items are included in the Notes on accounts as set out in Annexure 3.
- 7) We have not audited any financial information statements of the company as of any date or for any period subsequent to March, 31 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flow of the company as of any date or for any period subsequent to March 31, 2012.

Other Financial Information:

- 8) We have also examined the following other restated financial information related to the Company for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 set out in the following annexures prepared by the Management and approved by the Board of Directors for the purpose of inclusion in Offer Document.

- i. Significant Accounting Policies & Notes to Adjustments in Restated Financial Statements 'Annexure 3' to this report;
 - ii. Statement of Cash Flow as appearing in 'Annexure 4' to this report;
 - iii. Statement of Reserves & Surplus as appearing in 'Annexure 5' to this report;
 - iv. Accounting Ratios as appearing in 'Annexure 6' to this report;
 - v. Statement of Dividends as appearing in 'Annexure 7' to this report;
 - vi. Statement of Tax Shelter as appearing in 'Annexure 8' to this report;
 - vii. Statement of Investments as appearing in 'Annexure 9' to this report;
 - viii. Statement of Debtors as appearing in 'Annexure 10' to this report;
 - ix. Details of deposits, loans and advances as given in 'Annexure 11' to this report;
 - x. Capitalization Statement as appearing in 'Annexure 12' to this report;
 - xi. Statement of Current Liabilities as appearing in 'Annexure 13' to this report;
 - xii. Details of transactions with the Related Parties as appearing in 'Annexure 14' to this report;
 - xiii. Details of Contingent Liabilities as appearing in 'Annexure 15' to this report.
- 9) In our opinion, the "Financial information as per Audited Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 15 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).
- 10) Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years / period.
- 11) This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public issue of the Company. Our report should not be used, referred to, or distributed for any other purpose without our prior written consent.
- 12) This report should not be in any way be constructed as a re-issuance or redrafting of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should this report be constructed as a new opinion on any of the financial statements referred to herein.

For Bansal, Bansal & Co.
Chartered Accountants

Partner
Firm's registration number:
Membership No:

Place: Mumbai
Date: 21.06.2012

Annexure-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Assets					
Fixed Assets-Gross Block	24.04	22.59	22.59	21.27	7.50
Less: Depreciation	1.30	0.82	0.40	0.17	-
Net Block	22.74	21.77	22.19	21.10	7.50
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve (A)	22.74	21.77	22.19	21.10	7.50
Capital WIP	-	-	-	-	-
Total (A)	22.74	21.77	22.19	21.10	7.50
Investments (B)	32.00	-	-	-	-
Deferred Tax Asset (C)	-	0.40	-	-	-
Current Assets, Loans and Advances					
Receivables	12.18	3.99	5.69	9.26	-
Cash & Bank Balances	392.83	51.17	51.49	43.15	18.71
Deposits, Loans & Advances	48.83	42.34	31.43	23.72	0.40
Other Current Assets	-	-	-	-	-
Total Current Assets (D)	453.84	97.50	88.61	76.13	19.11
Total Assets (D) = (A) + (B) + (C) + (D)	508.58	119.67	110.80	97.23	26.61
Liabilities & Provisions					
Loan Funds :					
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Current Liabilities & Provisions:					
Current Liabilities	62.48	17.88	24.25	15.45	0.06
Provisions	12.44	0.45	4.70	2.46	-
Deferred Tax Liability	0.48	-	0.01	0.18	-
Total Liabilities & Provisions (E)	75.40	18.33	28.96	18.09	0.06
Net Worth (D) - (E)	433.18	101.34	81.84	79.14	26.55
Represented By:					
Share Capital	134.00	34.00	29.00	29.00	14.50
Reserves & Surplus	311.10	73.95	53.58	51.13	13.28
Less: Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	311.10	73.95	53.58	51.13	13.28
Less : Misc. expenditure to the extent not written off	11.93	6.61	0.74	0.99	1.23
Total Net Worth	433.18	101.34	81.84	79.14	26.55

Annexure 2

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Income					
Brokerage & Commission	29.62	13.15	19.76	2.93	-
Income from proprietary trading	21.73	0.60	(0.75)	2.19	-
Interest Income	4.65	2.73	3.22	3.11	-
Miscellaneous Income	5.51	0.12	0.99	1.99	-
Total	61.51	16.60	23.22	10.22	-
Expenditure					
Employee's Cost	5.49	5.38	2.45	2.37	-
Administration Expenses	24.81	10.13	14.41	3.01	0.22
Preliminary expenditure w/off	0.25	0.24	0.25	0.24	-
Total	30.55	15.75	17.11	5.62	0.22
Profit before Depreciation, Interest and Tax	30.96	0.85	6.11	4.60	(0.22)
Depreciation	0.47	0.42	0.24	0.17	-
Profit before Interest & Tax	30.49	0.43	5.87	4.43	(0.22)
Interest & Finance Charges	0.01	-	0.01	0.19	-
Net Profit before Tax	30.48	0.43	5.86	4.24	(0.22)
Less: Provision for Tax-Current Tax	9.33	0.05	1.90	1.10	-
Deferred Tax	0.89	(0.40)	(0.17)	0.18	-
Fringe Benefit Tax	-	-	-	0.01	-
Net Profit After Tax & Before Extraordinary Items	20.26	0.78	4.13	2.95	(0.22)
Extraordinary Item (Net of Tax)	-	-	-	-	-
Net Profit After Extraordinary Items	20.26	0.78	4.13	2.95	(0.22)
Proposed Dividend	2.68	0.34	1.45	1.16	-
Tax on Dividend	0.43	0.06	0.24	0.20	-
Net Profit	17.15	0.38	2.44	1.59	(0.22)
Profit / (Loss) Brought Forward	4.20	3.82	1.38	(0.22)	-
Profit / (Loss) Carried Forward to Balance Sheet	21.35	4.20	3.82	1.37	(0.22)

Annexure- 3

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

- a. The Restated Financial Information for the period ended 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 March 2012 has been extracted by the management of the Company from the audited financial statements of the company for the year 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 March 2012.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act, 1956 and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956.
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

3. Fixed Assets and Depreciation

- i. Fixed Assets are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

4. Revenue Recognition

- i. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of dividend income, debenture interest and interest receivable from/payable to government on tax refunds/late payment of taxes, duties/levies which are accounted for on cash basis.

5. Investments

Investments in Quoted as well as unquoted are stated at Cost.

6. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

7. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

8. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

9. Leases

Finance Lease

Leases which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

10. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

11. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

12. Foreign Exchange Transactions

- (i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.
- (ii) Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS.

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

C. NOTES ON RESTATED FINANCIAL STATEMENTS

(I) There are no material regroupings or restatements requiring adjustments in the restated financials

(III) OTHER NOTES

General

1. The Company has been converted from Private Limited to Public Limited Company vide resolution of its members at the Extraordinary General Meeting held on 25th April, 2012 and the approval of the Registrar of Companies vide certificate dated 21st May, 2012.

2. Contingent liabilities

The details of Contingent Liabilities are provided in Annexure 18.

3. Details of Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company does not have any transaction with micro, small and medium enterprise defined under the act and hence there are no amounts due to such undertakings.

4. Segment Reporting

The company operates only in one reportable business segment namely commodity broking and other related ancillary services. Hence, there are no reportable segments under Accounting Standard -17. During the years/period under report, the Company was engaged in its business only within India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

6. Investments

Investment represents Unquoted and Quoted Investments which are stated at cost. For details, please refer to Annexure 09.

7. Impairment of Assets

Assets of the Company are being tested for impairment. Considering the internal and external sources of information, there was no indication of potential impairment loss, and hence estimation of recoverable amount does not arise.

8. Earnings per Share

The details of Earnings Per Share as per AS-20 are provided in Annexure 06.

9. Related Party Transactions:

The details of Related Party Transactions as per AS-18 are provided in Annexure 14.

10. The figures in the Restated Financials are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	30.48	0.42	5.86	4.24	(0.22)
Adjustment for:					
Add: Depreciation	0.47	0.42	0.24	0.17	-
Add: Interest expenses	0.01	0.00	0.01	0.19	-
Add: Preliminary & issue Expenses w/off	0.25	0.24	0.24	0.24	-
Operating Profit before Working capital changes	31.21	1.08	6.35	4.83	(0.22)
Adjustments for:					
Decrease (Increase) in Trade & Other Receivables	(8.19)	1.70	3.57	(9.26)	-
Decrease (Increase) in Deposits, Loans and Advances	3.65	(13.63)	(4.79)	(22.67)	(0.40)
Increase (Decrease) in Current Liabilities	44.60	(6.37)	8.80	15.39	0.06
Increase (Decrease) in Provisions	-	-	-	-	-
Net Changes in Working Capital	40.06	(18.30)	7.58	(16.54)	(0.34)
Cash Generated from Operations	71.27	(17.22)	13.93	(11.71)	(0.56)
Taxes paid including FBT	10.19	0.29	2.91	0.65	0.00
Net Cash Flow from Operating Activities (A)	61.08	(17.51)	11.02	(12.36)	(0.56)
CASH FLOW FROM INVESTING ACTIVITIES					
(Purchase) / Sale of fixed assets	(1.45)	-	(1.32)	(13.77)	(7.50)
(Purchase) / Sale of Investments	(32.00)	-	-	-	-
Net Cash Flow from Investing Activities (B)	(33.45)	-	(1.32)	(13.77)	(7.50)
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital	100.00	5.00	-	14.50	14.50
Share Premium	220.00	20.00	-	36.25	13.50
Interest paid	(0.01)	-	(0.01)	(0.19)	-
Secured Loans Taken / (Repaid)	-	-	-	-	-
Unsecured Loans Taken/ (Repaid)	-	-	-	-	-
Preliminary Expenses Paid	(5.57)	(6.11)	-	-	(1.23)
Dividend paid including dividend tax thereon	(0.40)	(1.69)	(1.36)	-	-
Net Cash Flow from Financing Activities (C)	314.02	17.20	(1.37)	50.56	26.77
Net Increase / (Decrease) in Cash & Cash Equivalents	341.65	(0.31)	8.33	24.43	18.71
Cash and cash equivalents at the beginning of the year / Period	51.17	51.49	43.15	18.71	0.00
Cash and cash equivalents at the end of the year/ Period	392.82	51.18	51.48	43.14	18.71

Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

STATEMENT OF RESERVES & SURPLUS, AS RESTATED

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Share Premium (A)	289.75	69.75	49.75	49.75	13.50
Profit / (Loss) Brought Forward	4.20	3.82	1.38	(0.22)	-
Add: Profit / (Loss) for the Year	17.15	0.38	2.44	1.59	(0.22)
Profit / (Loss) Carried Forward (B)	21.35	4.20	3.82	1.37	(0.22)
Reserves & Surplus (A+B)	311.10	73.95	53.57	51.12	13.28

Annexure-06
ACCOUNTING RATIOS

(Rs. in Lakh)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Networth (A)	433.18	101.35	81.84	79.14	26.55
Net Profit before extraordinary items but after Tax (B)	20.26	0.78	4.13	2.95	(0.22)
Net Profit after extraordinary items and after Tax (C)	20.26	0.78	4.13	2.95	(0.22)
No. of Shares outstanding at the end [F.V Rs.10] (D)	1,340,000	340,000	290,000	290,000	145,000
Weighted average number of shares outstanding [F.V Rs.10](E)	3,022,732	2,972,192	2,970,000	2,960,068	2,805,714
Earnings per Share before Extraordinary Items (EPS) (B / E) (Rs.)	0.67	0.03	0.14	0.10	-0.01
Earnings per Share after Extraordinary Items (EPS) (C / E) (Rs.)	0.67	0.03	0.14	0.10	-0.01
Return on Networth before Extraordinary Items(B/A)	4.68	0.77	5.05	3.73	-0.83
Return on Networth after Extraordinary Items(C/A)	4.68	0.77	5.05	3.73	-0.83
Net Assets Value per Share (A/D)	32.33	29.81	28.22	27.29	18.31

Definitions of key ratios:**I. Earnings per share (Rs.):**

Net Profit attributable to equity shareholders/weighted average number of equity shares outstanding as at the end of the year/period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India. In terms of paragraph 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

II. Return on Net Worth (%): Net Profit after tax / Networth as at the end of the year / period.

III. Net Asset Value (Rs.):

Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

IV. Net Profit, as appearing in the statement of restated profits and losses, has been considered for the purpose of computing the above ratios.

Annexure -07

STATEMENT OF DIVIDEND PAID

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
On Equity Share Capital					
Paid up Share Capital	134.00	34.00	29.00	29.00	14.50
Less: Calls in Arrears	-	-	-	-	-
Net Share Capital	134.00	34.00	29.00	29.00	14.50
Eligible Share Capital for Dividend	134.00	34.00	29.00	29.00	14.50
Face Value (Rs.)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)	2.00*	1.00	5.00	4.00	-
Amount of Dividend	2.68	0.34	1.45	1.16	-
Tax on Dividend	0.43	0.06	0.24	0.20	-

* Interim Dividend of 2 % was recommended by Board of Directors on 30th March, 2012 on the Paid up Capital of the Company of Rs. 134 Lakhs.

Annexure- 08

STATEMENT OF TAX SHELTERS

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Profit before tax as per Restated P/L	30.48	0.42	5.86	4.24	(0.22)
Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	9.42	0.13	1.81	1.31	-
Adjustments					
Difference between Tax Depreciation and Book Depreciation	0.27	0.26	0.48	0.57	-
Exempted Income	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation				0.22	-
Net Adjustments	0.27	0.26	0.48	0.79	-
Tax Saving thereon	0.08	0.08	0.15	0.24	-
Tax Saving to the extent of Tax at Notional Rate	0.08	0.08	0.15	0.24	-
Tax Payable [A]	9.34	0.05	0.33	0.33	-
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	9.34	0.05	0.33	0.33	-
Tax Rebates [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	9.34	0.05	0.33	0.33	-
Tax Payable under MAT (115)B of Income Tax Act, 1961 [D]	5.81	0.08	0.91	0.44	-
Net Tax Payable [Higher of C & D]	9.34	0.08	0.91	0.44	-

Annexure-09

DETAILS OF INVESTMENTS

(Rs. In Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Investment in Mutual Funds (Liquid)	32.00	-	-	-	-
Total	32.00	-	-	-	-

Annexure-10

DETAILS OF SUNDRY DEBTORS

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
(A) Less than six months					
Considered good	12.06	3.99	5.12	9.26	-
Others	-	-	-	-	-
(B) More than six months					
Considered good	0.12	-	0.57	-	-
Others	-	-	-	-	-
Total	12.18	3.99	5.69	9.26	-

Annexure-11

DETAILS OF DEPOSITS, LOANS AND ADVANCES

(Rs. in Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Deposit with MCX	19.89	19.88	19.88	15.11	-
Deposit with NCDEX	15.00	15.00	-	-	-
Prepaid Expenses	0.97	0.86	0.91	0.45	0.40
Accrued Interest on Fixed Deposit	-	2.21	1.47	1.72	-
Miscellaneous advances paid	-	0.50	1.00	-	-
Advance Income Tax, TDS, Income Tax	10.99	0.85	3.56	0.65	-
TDS receivable on transaction charges	1.92	0.92	2.00	2.05	-
Cenvat Credit	0.07	2.11	2.60	3.73	-
Total	48.84	42.33	31.42	23.71	0.40

Annexure -12

CAPITALIZATION STATEMENT

Particulars	Pre-issue as at 31.03.2012	Post Issue *
Borrowing		
Short - Term Debt	-	
Long - Term Debt	-	
Total Debt	-	
Shareholders' Funds		
Share Capital		
- Equity	134.00	
Less: Calls - in - arrears	-	
- Preference	-	

Particulars	Pre-issue as at 31.03.2012	Post Issue *
Reserves & Surplus	311.11	
Less: Miscellaneous Expenditure not written off	11.93	
Total Shareholders Funds	433.18	
Long - Term Debt / Shareholders Fund	-	

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

Since 31-3-2012, share capital was increased from Rs.134 Lacs to Rs. 402 Lacs by the issue of bonus shares in the ratio of 2 shares for every 1 share.

Annexure-13
DETAILS OF CURRENT LIABILITIES & PROVISIONS

(Rs. in Lakh)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Current Liabilities					
Sundry Creditors	59.23	16.46	22.68	12.75	
Sundry deposits received	1.90	-	-	-	-
Outstanding liability for expenses		1.27	1.36	2.49	0.06
Advance against expenses					
Duties & Taxes	1.35	0.16	0.21	0.20	
Sub Total (A)	62.48	17.89	24.25	15.44	0.06
Provisions					
Provision for Gratuity					
Provision for Income Tax	9.33	0.05	3.00	1.10	-
Provision for FBT					
Proposed Dividend	2.68	0.34	1.45	1.16	-
Tax on Dividend	0.43	0.06	0.24	0.20	-
Sub Total (B)	12.44	0.45	4.69	2.46	-
Total (A+B)	74.92	18.33	28.94	17.90	0.06

Annexure-14

STATEMENT OF RELATED PARTY TRANSACTIONS

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Transactions with Related Parties (Rs. in Lacs)					
REVENUE ITEMS					
Debits (A)					
Demat Charges					
- <i>Group Enterprise</i>					
i. Comfort Securities Ltd	0.01	-	-	0.02	-
NON-REVENUE ITEMS					
Debits (A)					
Asset Purchase					
- <i>Group Enterprises</i>					
i. Comfort Securities Ltd	0.81	-	-	-	-
Credits (B)					
Equity Contribution					
Allotment of Shares other than Bonus Issue					
- <i>Key Management Personnel</i>					
i. Mr. Anil Agrawal	1.28	-	-	23.63	13.00
ii. Mrs. Annu Agrawal	35.20	7.50	-	4.38	2.00
iii. Mr. Anil Agrawal HUF	-	-	-	-	13.00
iv. Mr. Bharat Shiroya	13.92				
- <i>Relatives of Key Management Personnel / Other Related Parties</i>					
i. Mr. Ankur Agrawal	43.68	-	-	-	-
ii. Ms. Deepika Agrawal	3.20	-	-	-	-
- <i>Group Enterprises</i>					
i. Comfort Intech Ltd.	96.00	17.50	-	22.75	-

Annexure-15

**DETAILS OF CONTINGENT LIABILITIES
(Rs. in Lakhs)**

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Counter Guarantee provided to Union Bank of India for Bank Guarantee availed	75.00	55.00	75.00	45.00	-
Total	75.00	55.00	75.00	45.00	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated audited financial statements and the reports thereon and annexures thereto, which have been restated in accordance with paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 and with the SEBI (ICDR) Regulations, 2009, and which are all included in this Prospectus. The financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar. The degree to which the financial statements included in this Prospectus will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009.

Any reliance on the financial disclosures presented in this Prospectus by persons not familiar with these Indian practices, law and rules should be limited. We have not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on the financial data herein. The following discussion is also based on internally prepared statistical information and other sources.

Business Overview

Our Company was originally incorporated in Mumbai as "Comfort Commotrade Private Limited" on 5th November, 2007 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was subsequently converted into a public limited company and consequently name was changed to "Comfort Commotrade Limited" vide fresh certificate of incorporation dated 21st May, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 92 of this Prospectus.

We are currently engaged in the business of commodity broking. We are the member of MCX and NCDEX. It offers trading in many commodities such as bullion (gold, silver), energy (crude oil, natural gas), metals, food grains (rice, maize), spices, oil and oil seeds and others.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Regulatory developments and authorities

Our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including FMC and the exchanges. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's securities sectors. Changes in government and other regulatory policies affecting the financial services industry could require changes to our systems and business operations and could involve additional costs and management time. Other general changes in economic and regulatory policy may also affect our business, as they affect the businesses, financial health and investment policies of our customers. Some policy changes may be beneficial to our business, while others may have a negative impact.

Performance of Indian Economy

As a Commodity Broking company with businesses operating in the domestic Indian market, our performance and the growth of our business are significantly dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including its ability to implement our strategy. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and Government policy may change in response to such conditions. While recent Governments have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Any downturn in the macroeconomic environment could have an adverse effect on our results of operations and financial condition.

Trading Volumes and Contract Values.

The volume and value of contracts traded on our Exchange have a direct impact on our revenues, as our brokerages are calculated on the basis of the value of commodity futures contracts traded on our Exchange. Trading volume is primarily influenced by factors outside our control. These external factors include, among other things, price volatility in the underlying commodities, government initiatives to promote the commodity futures industry and other government changes to monetary, fiscal, agricultural or trade policies, the number of market participants, domestic and international economic, political and market conditions, domestic and international trends in demand, supply and prices, weather conditions in relation to agricultural commodities, interest rates, foreign exchange rates and inflation. Each of these factors has contributed to the change in trading volumes on our Exchange. While not certain, we expect that the favourable factors that contributed to recent volume increases will continue to contribute to future volume levels. However, additional factors may arise that could offset future increases or result in a decline in commodity futures contract trading volume, such as new or existing competition, adverse legislative changes or other similar events.

Intense Competition

Our Company faces significant competition from companies. In particular, we compete with other Indian and foreign brokerage houses operating in the markets in which we are present. In recent years, large international banks have also entered these markets.

Significant concentration of business in the western region

We are headquartered at Malad, Mumbai located in the western region and a substantial portion of our revenues are generated from operations in western India. As on the date of this Prospectus, our operations are mainly focused in the western India. The future growth in business and revenues will be achieved through a pan-India footprint. We intend to set up regional offices in Bangalore, Delhi and Chennai. Failure to expand our operations either through branches, business associates or otherwise may restrict our growth potential and adversely affect our results of operations.

Ability to attract, recruit and retain key personnel.

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Competition in the commodity broking industry for senior management and qualified employees is intense. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2011-12, 2010-11, 2009-10 and 2008-09. The same should be read in conjunction with the restated audited financial results of our Company for the years ended 31 March 2012, 2011, 2010, 2009 and 2008.

(Rs. in Lakh)				
Particulars	31.03.12	31.03.11	31.03.10	31.03.09
Income				
Brokerage & Commission	29.62	13.15	19.76	2.93
Income from proprietary trading	21.73	0.6	-0.75	2.19
Operational Income	51.35	13.75	19.01	5.12
Increase/ (Decrease) (%)	273.45%	-27.67%	271.29%	-
Interest Income	4.65	2.73	3.22	3.11
Miscellaneous Income	5.51	0.12	0.99	1.99
Other Income	10.16	2.85	4.21	5.1
Increase/ (Decrease) (%)	256.49%	-32.30%	-17.45%	-
Total	61.51	16.6	23.22	10.22
Expenditure				
Employee's Cost	5.49	5.38	2.45	2.37
Increase/ (Decrease) (%)	2.04%	119.59%	3.38%	-
Administration Expenses	24.81	10.13	14.41	3.01
Increase/ (Decrease) (%)	144.92%	-29.70%	378.74%	-
Preliminary expenditure w/off	0.25	0.24	0.25	0.24
Increase/ (Decrease) (%)	4.17%	-4.00%	4.17%	-
Total	30.55	15.75	17.11	5.62
Profit before Depreciation, Interest and Tax	30.96	0.85	6.11	4.6
Depreciation	0.47	0.42	0.24	0.17
Increase/ (Decrease) (%)	11.90%	75.00%	41.18%	-
Profit before Interest & Tax	30.49	0.43	5.87	4.43
Increase/ (Decrease) (%)	6990.70%	-92.67%	32.51%	-
Interest & Finance Charges	0.01	0	0.01	0.19
Net Profit before Tax	30.48	0.43	5.86	4.24
Increase/ (Decrease) (%)	6988.37%	-92.66%	38.21%	-
Less: Provision for Tax-Current Tax	9.33	0.05	1.9	1.1
Deferred Tax	0.89	-0.4	-0.17	0.18
Fringe Benefit Tax	-	-	-	0.01
Net Profit After Tax & Before Extraordinary Items	20.26	0.78	4.13	2.95
Increase/ (Decrease) (%)	2497.44%	-81.11%	40.00%	-

COMPARISON OF FINANCIAL YEAR ENDED 31ST MARCH, 2012 WITH FINANCIAL YEAR ENDED 31ST MARCH, 2011

Operational Income: Our total income from operations for the financial year ended 31st March, 2012 was at Rs. 51.35 Lacs as against the total of Rs. 13.75 Lacs for the fiscal 2011 with an increase of 273.45% and such increase was attributed to increase in income from brokerage and commission which has increased from Rs. 13.15 Lacs for FY ended 2011 to Rs. 29.62 Lacs for FY 2012 and income from proprietary trading which has increased from Rs. 0.6 Lacs for the FY 2011 to Rs. 21.73 Lacs for the FY 2012.

Expenditure: Total employee cost accounted for 10.69 % of income from operations during the financial year ended 31st March, 2012 at Rs. 5.49 Lacs as compared to 39.13% of Income from operations at Rs. 5.38 Lacs for the fiscal 2011.

The administrative expenses have registered an increase of 144.92% at Rs. 24.81 Lacs in fiscal 2012 as compared to Rs. 10.13 Lacs for the fiscal 2011 due to increase in rent, consultancy charges, insurance amongst others.

Depreciation: Depreciation has accounted for Rs. 0.47 Lacs with an increase of 11.90% in fiscal 2012 as compared to Rs. 0.42 Lacs in the fiscal 2011. The increase is due to increase in the line of fixed assets in the fiscal 2012.

Financial Expenses: The financial expenses of Company were 0.01 Lacs for the fiscal 2012 as compared to nil for the fiscal 2011.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 2497.44 % with Rs. 20.26 Lacs for fiscal 2012 as against Rs. 0.78 Lacs for fiscal 2011 due to higher base of revenue and optimal utilization of resources.

COMPARISON OF FINANCIAL YEAR ENDED 31ST MARCH, 2011 WITH FINANCIAL YEAR ENDED 31ST MARCH, 2010

Operational Income: Our total income from operations for the financial year ended 31st March, 2011 was at Rs. 13.75 Lacs as against the total of Rs. 19.01 Lacs for the fiscal 2010 with a decrease of 27.67% and such decrease was attributed to decrease in income from brokerage and commission which has decreased from Rs. 19.76 Lacs for FY ended 2010 to Rs. 13.15 Lacs for FY 2011.

Expenditure: Total employee cost accounted for 39.13% of income from operations during the financial year ended 31st March, 2011 at Rs. 5.38 Lacs as compared to 12.89% of Income from operations at Rs. 2.45 Lacs for the fiscal 2010.

The administrative expenses have registered a decrease of 29.70% at Rs. 10.13 Lacs in fiscal 2011 as compared to Rs. 14.41 Lacs for the fiscal 2010 due to decrease in revenue generating expenses. .

Depreciation: Depreciation has accounted for Rs. 0.42 Lacs with an increase of 75% in fiscal 2011 as compared to Rs. 0.24 Lacs in the fiscal 2010. The increase is due to increase in the line of fixed assets in the fiscal 2011.

Financial Expenses: The financial expenses of Company were NIL for the fiscal 2011 as compared to Rs. 0.01 Lacs for the fiscal 2010.

Profits after Taxes (PAT): PAT of Company declined by 81.11% at Rs. 0.78 Lacs for fiscal 2011 as against Rs. 4.13 Lacs for fiscal 2010 due to decrease in revenue and increase in personnel cost.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2010 WITH FINANCIAL YEAR ENDED 31st MARCH, 2009

Operational Income: Our total income from operations for the financial year ended 31st March, 2010 was at Rs. 19.01 Lacs as against the total of Rs. 5.12 Lacs for the fiscal 2009 with an increase of 271.29% and such increase was attributed to rise in brokerage & commission which has increased from Rs. 2.93 Lacs to Rs. 19.76 Lacs.

Expenditure: Total employee cost accounted for 12.89% of income from operations during the financial year ended 31st March, 2010 at Rs. 2.45 Lacs as compared to 46.29% of Income from operations at Rs. 2.37 Lacs for the fiscal 2009.

The administrative expenses have registered an increase of 378.74% at Rs. 14.41 Lacs in fiscal 2010 as compared to Rs. 3.01 Lacs for the fiscal 2009 due to increase in rent, consultancy charges, insurance amongst others.

Depreciation: Depreciation has accounted for Rs. 0.24 Lacs with an increase of 41.18% in fiscal 2010 as compared to Rs. 0.17 Lacs in the fiscal 2009. The increase is due to increase in the line of fixed assets in the fiscal 2010.

Financial Expenses: The financial expenses of Company were 0.01 Lacs for the fiscal 2010 as compared to Rs. 0.19 Lacs for the fiscal 2009.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 40% with Rs. 4.13 Lacs for fiscal 2010 as against Rs. 2.95 Lacs for fiscal 2009 due to higher base of revenue and optimal utilization of resources.

OTHER INFORMATION REQUIRED AS PER SEBI ICDR REGULATIONS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

2. Significant economic changes

Our Company's operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.

3. Known trends or uncertainties

Except as described in “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” and in the Prospectus, our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. *Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change*

5. The extent to which material increase in net sales or revenues are due to increased sales volume, introduction of new products or services or increased sales prices.

Our increases in net sales are primarily by the number of active clients and the volume of business done by them

6. New Products or business segments

Other than as described in “Our Business” in this Prospectus, our Company is not planning to introduce any new products or business segments.

7. Business segment in which our Company operates

Not Applicable as our Company deals only in commodity broking activities.

8. Seasonality of business

Our business & level of operations are not seasonal in nature. Our business depends upon the market condition.

9. Dependence on single or few clients

Our Company’s operations are not dependent on a particular client or group of clients.

10. Competitive conditions

Our Company operates in a competitive environment. For further details please refer to “Risk Factors”, “Industry Overview” and “Our Business” on page 9, 68 and 82 respectively of this Prospectus.

SECTION VI: LEGAL AND REGULATORY INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

A) OUTSTANDING LITIGATION INVOLVING OUR COMPANY:

I. Cases filed by our Company

Civil Cases

Nil

Criminal Cases

Nil

II. Cases filed against our Company

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. Income tax proceedings involving our Company

Nil

IV. Litigations involving our Promoter

(i) Proceedings of Civil nature

(a) By the promoter

Nil

(b) Against the promoters

Nil

(ii) Proceedings of a Criminal nature-

(a) By the promoters

Nil

- (b) Against the promoters
Nil

V. Litigations involving Directors of our Company

(i) Proceedings of Civil nature

- (a) By the Directors of our Company
Nil

- (b) Against the Directors of our Company
Nil

(ii) Proceedings of a Criminal nature-

- (a) By the Directors of our Company
Nil

- (b) Against the Directors of our Company
Nil

VI. Litigations involving our Group Companies

(i) Proceedings of Civil nature

- (a) By our Group Companies

Sl. No.	Case No. / Complaint No.	Opposite Party	Brief Description of the case and Status
1.	Summary Suit No 2783 of 2010	Alpurpose Textiles Industries Ltd	Comfort Intech Limited (CIL) has filed a Summary Suit against Alpurpose Textiles Industries Ltd and its Directors in the Bombay High Court being Summary Suit No 2783 of 2010. CIL has filed the above matter for recovery of a sum of Rs. 33,00,000 with interest which was lent and advanced by CIL to M/s. Alpurpose Textile Industries Pvt. Ltd wherein its Directors viz. Mr. Om Prakash Jalan and Mrs. Shakuntala Devi Jalan had stood as guarantor. By a deed of mortgage dated 10th July, 2008, the said Mrs. Shakuntala Devi Jalan has mortgaged a flat owned by her situated at Sunder Nagar, Malad as and by way of security and also issued 6 post dated cheques favouring the Company for due repayment of the aforesaid loan of Rs. 33 Lakh. CIL has filed the said suit for recovery of the principal sum of Rs. 33,00,000 alongwith a further sum of Rs. 16,55,584 towards interest @ 24% p.a. as on September 28, 2010 and further interest@ 18% from the date of the suit till payment and/or realisation thereof. CIL has already initiated criminal proceedings under section 138 of the Negotiable Instruments Act, 1881 pursuant to dishonour of all 6 post dated cheques as already stated hereinabove. CIL have received order from the court dated 24 th January, 2012 and Court has granted Alpurpose unconditional leave to defend the suit and court has transferred case list of commercial casues suit.CIL is in the process of filing Notice of Motion.

(b) Against our Group Companies

Sl. No.	Case No. / Complaint No.	Opposite Party	Brief Description of the case and Status
1.	Suit No. 1460 of 2010	Empire Industries Ltd	Empire Industries Ltd. (EL) has filed a suit against the Comfort Intech Limited in the Bombay High Court under the provisions of Order XXXVII Rule 2 of the Code of Civil Procedure 1908 being Sum. Suit No. 1460 of 2010 for recovery of commission amounting to Rs. 27,57,500/- (inclusive of service tax of 10.30%) with further interest thereon at the rate of 10% p. a. from the date of filing of the suit till the date of payment/realization. In the suit EL has claimed that the they had introduced a buyer to the CIL for sale of Knuckle Joint Pres machine as per agreement dated 25-03-2009 and as per the agreement EL is entitled to a commission of Rs. 27,57,500/-. CIL has been served with a summons on 26 th day of June 2010 and as per the requirements of summary suit proceedings CIL has caused a vakalatnama of its Advocate to be filed in the Bombay High Court on 1 st day of July 2010. Further CIL received order from the High Court 13 th January, 2012 for depositing Rs. 25 with court. CIL is in the process of filing an appeal against the said order.

(ii) Proceedings of a Criminal nature-

(a) By our Group Companies

Sl. No.	Case No. / Complaint No.	Opposite Party	Brief Description of the case and Status
1.	Revision Application No. 110 of 2009 dated 2 nd December 2009	M/s. MTZ Poly Films Ltd	Comfort Intech Limited (CIL) has filed a case against M/s. MTZ Poly Films Ltd. and its Directors & officers under section 138 of the Negotiable Instruments Act 1881 in the Court of the Metropolitan Magistrate 43 rd Court at Borivali, Mumbai for dishonour of cheques of aggregate value of Rs. 62,00,000/- (Rupees Sixty Two Lakh only) issued towards repayment of loan and Bill discounting facility availed by M/s. MTZ Poly Films Ltd. from CIL. The Court issued summons to M/s. MTZ Poly Films Ltd. and its Directors and officers, however M/s. MTZ Poly Films Ltd. has filed a Revision Application against the order of issue of summons being Revision Application No. 110 of 2009 dated 2 nd December 2009 for stay of the proceedings before the Magistrate on the ground that CIL has served the notice beyond the period of limitation. The Revision Application is pending and will come up for hearing in due course.
2		M/s. Alpurpose Textile Industries Pvt. Ltd. and its Directors viz. Mr. Om Prakash Jalan and Mrs. Shakuntala Devi	CIL has filed a case against M/s. Alpurpose Textile Industries Pvt. Ltd. and its Directors viz. Mr. Om Prakash Jalan and Mrs. Shakuntala Devi Jalan under section 138 of the Negotiable Instruments Act 1881 in the Court of the Metropolitan Magistrate 43 rd Court at Borivali, Mumbai for dishonour of cheques of aggregate value of Rs. 35,96,000/- (Rupees Thirty Five Lakh Ninety Six thousand only) issued

Sl. No.	Case No. / Complaint No.	Opposite Party	Brief Description of the case and Status
		Jalan	towards repayment of loan by Comfort Intech Limited
3	Case no. 1437 of 2008	Mr. Munish Madhok	Comfort Intech Limited has filed a case against Mr. Munish Madhok under section 138 of Negotiable Instrument Act, 1881 in the court of Metropolitan Magistrate 43 rd Court at Borivali, Mumbai for dishonor of cheques of amounting Rs. 5,10,000 (Five Lacs Ten Thousand) in respect of repayment of loan granted by Comfort Intech Limited. However the suit is pending and the matter shall come up for hearing in the normal course.

(b) Against our Group Companies

NIL

Litigation with Debt Recovery Tribunal

Sl. No.	Case No. / Complaint No.	Opposite Party	Brief Description of the case and Status
1.	SA No. of 2011	Bank of Baroda	Comfort Intech Limited has filed a suit against Bank of Baroda with Debt Recovery Tribunal. Comfort Intech Limited have purchased property through auction conducted by the authorised dealer of Bank of Baroda held on 31 st May, 2011 for Rs. 2,27,50,000/- and made full payment of consideration. Comfort Intech Limited received a letter from bank stating their unwillingness to sale property due to certain procedural issues at bank's end. Comfort Intech Limited has filed suit for recovery of the said property. However the suit is pending and the matter shall come up for hearing in the normal course.
2.	SA No. 89 of 2012	Punjab National Bank	Comfort Intech Limited has filed a suit against Punjab National Bank with Debt Recovery Tribunal. Comfort Intech Limited has purchased property from Mr. Dharmesh Baid for Rs. 2,00,00,000/- on execution of agreement of sale on 21 st June, 2011. On 2 nd June, 2012 Comfort Intech Limited received notice stating that Punjab National Bank had taken the possession of the property on 1 st June, 2012 and Mr. Dharmesh Baid has mortgaged the property with Punjab National Bank. On 13 th July, 2012 Debt Recovery Tribunal passed an order granting a stay order in favour of Comfort Intech Limited. Further heraring is on 20 th November, 2012.

PAST PENALTIES IMPOSED ON OUR COMPANY AND OUR GROUP COMPANIES:

In the past, we have been penalised by MCX for certain non-compliances with regulatory rules, regulations and bye-laws the details of which are as under:-

(Rupees)

Type of penalty	2009-10	2010-11	2011-12
Client Code Modification	10500	-	-
Non / Short Reporting of Margin	100	-	-
Late Submission of Internal Audit Report	-	-	1000

In the past, our group Company, Comfort Securities Limited have been penalised by BSE, NSE and MCX-SX for certain non-compliances with regulatory rules, regulations and bye-laws the details of which are as under:-
(Rupees)

Type of penalty	2009-2010	2010-11	2011-2012
Not Uploading CTCL Details	-	1100	2000
Trade in Ban Scrip	-	5000	-
Late Submission of Internal Audit Report	-	2800	-
Late Submission of Net Worth	-	3100	-
Not Uploading UCC Details	15975.00	4610.85	-
Non / Short Reporting of Margin	2614.00	4000	-
Client Code Modify	2500.00	8000	18570
Short Reporting of Trade	-	-	351.2
Violation of Exposure Limit	-	-	20000
Violation of MWPL	-	-	72974
Short Margin	-	-	76673.7
CTCL / IML Mismatch	4100	-	-
Non-submission of client funding	3400	-	-
Payout delay from Pool A/c	1290.27	-	-

Type of Penalty	Description
Client Code Modification	The stock exchange provides a window in case of punching error while placing order. When the number of order modification exceeds certain percentage then Exchange levies charges called "Client Modification Charges".
Non Submission of UCI	Brokers are required to submit the Unique Client Code details to stock exchange before placing an order into the system. When details are not submitted the stock exchange levies certain charges called "Non Submission Charges".
CTCL / IML Mismatch	Brokers are required to submit the details of their terminal before activating the same and in the event of failure to do so the stock exchange levies charges called "CTCL/IML Mismatch".
Non / Short Reporting of Margin	In the F&O and Currency Derivative Segment brokers are required to collect and submit the details of margin collected from clients to the stock exchange daily. In the event of failure to do so the stock exchange levies charges called "Non or Short reporting of Margin".
Non Submission of Client Funding	Brokers are required to submit on monthly basis within 7 days of next month the details of amount of money funded to clients to meet their settlement obligation. In the event of failure to do so the stock exchange levies charges called "Non Submission Exchange charges".
Unconfirmed 6A7A	In case of Institutional trading, brokers are required to enter the Custodian Code at the time of punching the order and confirm the same in the evening. In the event of punching incorrect Custodian Code the stock exchange levies penalty called "Unconfirm 6A7A".
Payment delay from Pool A/c	Brokers are required to clear Pool Account within 24 hours of payment of securities. In the event of failure to do so the stock exchange levies penalty for the delayed period called "Payment delay from Pool A/c"

Delay in Stamp Duty Payment	Brokers are required to execute the client registration agreements and related documents including contract notes on stamp paper. In case of failure to execute the documents on stamp paper or to pay the stamp duty on time, the concerned authority levies penalty for the delayed period called “Delay in Stamp Duty Payment”
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MATERIAL DEVELOPMENT

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months. In accordance with SEBI requirements, our Company and the lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

GOVERNMENT APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 22nd May, 2012 authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 28th May 2012 authorized the Issue.
3. Approval from MCX and NCDEX dated 20th July 2012 and 25th July 2012 respectively related to propose change in shareholding pattern.

INCORPORATION DETAILS

1. Certificate of incorporation no. 11- 175688 dated 5th November, 2007 issued by Registrar of Companies, Maharashtra, Mumbai, in the name of Comfort Commotrade Private Limited.
2. Fresh Certificate of Incorporation dated 21st May, 2012 issued by the by the Registrar of Companies, Maharashtra, Mumbai consequent upon change of name on conversion to Public Limited Company.
3. The Company Identification Number (CIN) is U51311MH2007PLC175688.

CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AADCC2156R) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (MUMC16153E) under the Income Tax Act, 1961.
3. MCX Membership Code. 40140, FMC Unique membership Code No. MCX/TCM/CORP/1574 on 18th January, 2008 issued by Multi Commodity Exchange of India Limited.
4. Certificate of membership No. NCDEX/CO/10/01037 issued by National Commodity & Derivatives Exchange Limited dated 5th January, 2011.
5. ISIN Number is INE456N01019.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Comfort Commotrade Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on 28th May, 2012.

The Board of Directors has authorized a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorized the Draft Prospectus pursuant to its resolution dated 26th June, 2012 the Prospectus pursuant to its resolution dated 16th August, 2012.

We have received approval from BSE vide letter dated 10th August, 2012 to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten Crore Rupees and upto twenty five crore ruprees may also issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "General Information – Underwriting" on page 185 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on

and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.

- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. *For further details of the arrangement of market making please refer to "General Information – Details of the Market Making Arrangements for this Issue" on page 38 of this Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, V.C. COREPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, VC CORPORATE ADVISORS PVT. LTD HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 16TH AUGUST, 2012 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**

- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
- (A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
- 6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF

THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

- 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
– NOT APPLICABLE

(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated 10th August, 2012, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

For details regarding the track record of the Lead Manager to the Issue, please refer to the website of the Lead Manager: www.vccorporate.com

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated 28th May 2012, the Underwriting Agreement dated 28th May 2012 entered into among the Underwriters and our Company and the Market Making Agreement dated 28th May 2012 entered into among the Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds). This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

FILING

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M) (3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Everest Building, 100, Marine Drive, Mumbai 400 002, Maharashtra.

LISTING

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated [●]. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Bansal Bansal & Co., Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 21st June 2012 on restated financial statements, statement of funds deployed dated 21st June 2012 and statement of tax benefits dated 21st June 2012 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

PUBLIC ISSUE EXPENSES

The Management estimates an expense of Rs.50 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (Rs. In Lakhs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	33.00
2.	Printing & Stationery, Distribution, Postage, etc	8.50
3.	Advertisement & Marketing Expenses	6.00
4.	Regulatory & other expenses	2.50
Total		50.00

DETAILS OF FEES PAYABLE

Particulars	Amount (Rs. in Lakhs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	33.00	66.00	5.5
Printing & Stationery, Distribution, Postage, etc	8.50	17.00	1.42
Advertisement & Marketing Expenses	6.00	12.00	1.00
Regulatory & other expenses	2.50	5.00	0.42
Total	50.00	100.00	8.33

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company dated 11th April 2012.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Lead Manager. The underwriting commission shall be paid as set

out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 185 of this Prospectus.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

PREVIOUS PUBLIC OR RIGHTS ISSUES

Our Company has not made any public or rights issue since its inception.

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH

Please refer to the Section titled "Capital Structure" and "Our History and Corporate Structure" on page nos. 39 and 92 respective of the Prospectus for details of shares issued otherwise than for cash.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PROMISES V. PERFORMANCE

Our Company has not made any public or rights issue since its inception.

OUTSTANDING DEBENTURES OR BOND ISSUES

As on the date of filing the Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

OUTSTANDING PREFERENCE SHARES

As on the date of filing this Prospectus, our Company does not have any outstanding preference shares.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act that made any capital issue during the last three years, except as stated below:-

Listed Group Companies

1. Comfort Intech Limited – Rights Issue [2010]

1	Name of the Company	Comfort Intech Limited
2	Year of issue.	2010-2011
3	Type of issue (public/ rights/ composite).	Rights
4	Amount of issue.	Rs. 6398.76 Lakh
5	Closing Date	June 13, 2010
6	Date of Allotment	July 23, 2010
7	Date of Refunds	July 24, 2010
8	Date of Listing on the recognized stock exchange	July 28, 2010
9	Date of completion of the project, where object of the issue was financing	Not Applicable

	the project.	
10	Date of completion of delivery of share certificates	Not applicable
11	Rate of dividend paid.	5% in FY 2011

Promise v. Performance

CIL had utilized to the tune of Rs. 4413.72 Lacs during the fiscal 2011 and the balance has been utilized in the fiscal 2012.

Particulars	Rs. 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 as on 31st March 2011	Actual Utilization of Rights Issue Proceeds as on 31st March 2012	Total Deployed
Capital for financing activity:-				
Margin funding, loan against shares & securities	3000	1530	782	3000
Loan against properties	1000	440	103.04	1000
Corporate loan, bill discounting, working capital loan	1000	1231.21	1100	1000
Arbitrage activity	800	800*	-	800
Acquisition of Shares of Comfort Securities Pvt Ltd	330	385	-	330
Brand building	160	Nil	-	160
Rights Issue Expenses	108.76	27.51	-	108.76
Total	6398.76	4413.72	1985.04	6398.76

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

2. COMFORT FINCAP LIMITED

CFL has issued and allotted 73,00,000 and 28,15,000 equity shares through the preferential allotments which was made on 14th March 2011 and 27th June 2011 respectively at a price of Rs. 18/- per share at a premium of Rs. 8/- per share. Since it was a preferential issue the disclosure of Promise v. Performance is not applicable in the instant case.

PARTLY PAID-UP SHARES

There are no partly paid-up equity shares of our Company.

OPTION TO SUBSCRIBE

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA

This being the first public Issue of the equity shares of our Company, the equity shares of our Company is not listed on any stock exchange and hence no stock market data is available.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of

bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Sharepro Services (India) Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Ms. Sonia Jain as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

Ms. Sonia Jain

A-301, Hetal Arch,

S. V. Road, Malad (West),

Mumbai – 400 064

Tel: 91-22-2844 9765, Fax: 91-22-2889 2527

E-Mail: ipo-commotrade@comfortsecurities.co.in

CHANGES IN AUDITORS

Except as stated below there has been no change in the auditors of our Company for the last three years.

Financial year	Particular of Changes	Reason
2011-12	M/s. Bansal Bansal & Co has been appointed in the place M/s PKC & Associates	M/s PKC & Associates wished to resign due to their pre-occupation.

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve during last five (5) years except for issue of bonus shares as described in the section titled "Capital Structure" on Page 39.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.

SECTION VII

TERMS AND PROCEDURE OF THE ISSUE

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 192 of this Prospectus.

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 22nd May, 2012 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act. The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on 28th May, 2012.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to the section titled “Dividend Policy” on page 124 of this Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 10/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 56 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

The trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

to register himself or herself as the holder of the Equity Shares; or
to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled “Main Provisions of the Articles of Association of the company” on Page 192 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

The investors have an option either to receive the security certificate or to hold the securities with depository.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 38 of this Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and

The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital is more than ten Crore Rupees and upto twenty five crore ruprees, may also issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled "Terms of the Issue" and "Issue Procedure" on page 165 and 172 of this Prospectus.

Following is the Issue structure:

Public Issue of 60,00,000 equity shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 10/- per Equity Share aggregating to Rs. 600.00 lacs ("the Issue") by Comfort Commotrade Limited ("CCL" or the "Company" or the "Issuer").

The Issue comprises a Net Issue to Public of 54,90,000 Equity Shares ("the Net Issue") and a reservation of 5,10,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	54,90,000 Equity Shares	5,10,000 Equity Shares
Percentage of Issue Size available for allocation	91.50% of the Issue size	8.50% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each. For further details please refer to the section titled "Issue Procedure – Basis of Allotment" on page 180 of this Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: Such number of Equity Shares in multiples of 10,000 Equity Shares	5,10,000 Equity Shares

	such that the Application Value does not exceed Rs. 2,00,000/-	
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed 54,90,000 Equity Shares. For Retail Individuals: Such number of Equity Shares in Multiples of 10,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	5,10,000 Equity Shares
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form or Physical Form, at the option of the applicant
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

*50 % of the shares offered are reserved for applications below Rs. 2 lakh and the balance for higher amount applications.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

ISSUE OPENING DATE	SEPTEMBER 05, 2012
ISSUE CLOSING DATE	SEPTEMBER 10, 2012

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form as the issue size is less than Rupees ten Crores as per Section 68B of the Companies Act, 1956.

APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

WHO CAN APPLY?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;

- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE limited i.e. www.bseindia.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 lac, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be

lodged along with the Application Form . Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that our Company , the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.

- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 10,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 10/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not

participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non repatriation basis: “Comfort Commotrade Limited –Public Issue - R”.
 - In case of Non Resident Retail Applicants applying on repatriation basis: “Comfort Commotrade Limited – Public Issue – NR”
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;

- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
 - Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 10,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;

- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;
- Application by QIB and Non Institutional Investor applied through Non-ASBA process.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated 28th May 2012 this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely

circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) *ECS (Electronic Clearing System)* – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants

having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

- 2) **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ` 10.00 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant
- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) **For** all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and

Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated 8th May 2012 between NSDL, the Company and the Registrar to the Issue;
 - (b) Agreement dated 15th May 2012 between CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear an ISIN No. INE456NO1019

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems

such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or

ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

SECTION VIII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

"Capital"

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

"Depository"

"Depository" shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

"Depositories Act 1996"

"Depositories Act 1996" shall mean Depositories Act 1996, and include any Statutory modification or re-enactment thereof for the time being in force.

"Directors"

"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board collectively or acting by circular resolution.

"Dividend"

"Dividend" includes Bonus.

"Extra ordinary General Meeting"

"Extra ordinary General Meeting" means an Extra ordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

"Member"

"Member" means the duly registered holder from time to time of the Shares of the Company of any class and includes the subscriber(s) of the Memorandum of the Company and every person whose name is entered as the beneficial owner of any share in the records of Depository, but does not include the bearer of a share warrant of the Company, if any, issued in pursuance of Articles of Association of the Company.

"Ordinary Resolution and Special Resolution"

"Ordinary Resolution and Special Resolution" shall have the meanings assigned to it by Section 189 of the Act.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL

2. The Authorised Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

3. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with section 87 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par of (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

FURTHER ISSUE OF SHARES

8. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.

- a. If a special resolution to that effect is passed by the Company in General Meeting, or
- b. Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposer by members, so entitled and voting and Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed:

- a. To extend the time within which the Offer should be accepted; or
- b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

1. To convert such debentures or loans into shares in the Company; or
2. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

8A. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

POWER OF GENERAL MEETING TO AUTHORISE BOARD TO OFFER SHARES/OPTIONS TO EMPLOYEES

8B. Without prejudice to the generality of the powers of the General Meeting under Article 8A or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/Other writing, as may be set out before it, for the aforesaid purpose.

In addition to the powers contained in this Article, the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme / Plan / other writing approved under the aforesaid Article.

APPLICATION OF PREMIUM RECEIVED ON SHARES

- 8C. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.
2. The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company.

- a. In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

- 8D.(i)** Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii)** In addition to the powers of the Board under Article 8D(i), the Board may also allot the Shares referred to in Article 8D(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees (including by way of options, as referred to in Article 8D(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 8D(i) and (ii) above.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

- 11.** Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

- 12.(1).** The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanction in accordance with Article 13 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2).** Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection

with the purchase or subscription made or to be made by any person of or for any shares in the Company.

(3). Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

12A.Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

REDUCTION OF CAPITAL

13. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

14.The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

17. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

ISSUE WITH DISPROPORTIONATE RIGHTS

18. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

18A. a. "Power to Company to dematerialize and rematerialize"

"Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any"

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. "Intimation to Depository"

"Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities"

d. "Option for Investors"

"Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities."

e. "The Company the recognize under Depositories Act, Interest in the Securities other than that of Registered holder."

"The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996."

f. "Securities in Depositories and Beneficial Owners"

"All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

g. "Rights of depositories and Beneficial Owners."

- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c. Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of

securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

28B. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

29. JOINT ALLOTTEES OF HOLDERS

Any two or more joint allottees or holders of shares shall, for the purpose of Article-28, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

30. RENEWAL OF SHARES CERTIFICATES

A certificate of share may be renewed or a duplicate issued in accordance with the provisions of the Act and the Companies (Issue or Share Certificates) Rules, 1960 and any modification thereof.

31. THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER

If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to these Articles.

33 C. DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

33D. FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78,80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

33E. ISSUE OF SHARES WITHOUT VOTING RIGHTS

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

33F. SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY

Notwithstanding anything to the contrary contained in the Articles,

1. Section 83 of the Act shall not apply to the Shares held with a Depository;
2. Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

36. INTEREST OUT OF CAPITAL

Where any shares are issue for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions contained in Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

37. DIRECTORS MAY MAKE CALLS

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

38. CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

39. NOTICE OF CALLS

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

40. CALLS TO DATE FROM RESOLUTION

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

41. DIRECTORS MAY EXTEND TIME

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

42. CALL TO CARRY INTEREST AFTER DUE DATE

If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

43. PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is

duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until he same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN

45. IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

46. FORM OF NOTICE

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

47. IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

2. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

48. NOTICE OF FORFEITURE

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

49. FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

50. POWER TO ANNUAL FORFEITURE

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annual the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

51. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

52. EFFECT OF FORFEITURE

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

53. PROCEEDS HOW TO BE APPLIED

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

54A. DECLARATION OF FORFEITURE

a. A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

54B. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

59. COMPANY'S LIEN ON SHARE/DEBENTURES

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless

otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

60. ENFORCING LIEN BY SALE

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for seven days after the date of such notice.

61. APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

62. VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

63. BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

64. MONEY DUE FROM THE COMPANY MAY BE SET OFF AGAINST MONEY DUE TO THE COMPANY

Any money due from the Company to a member may without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

64A. SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES

65. REGISTER OF TRANSFER

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

66. EXECUTION OF TRANSFER

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

67. INSTRUMENT OF TRANSFER

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

67A. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

- a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
- b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as

aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

68. NO TRANSFER TO A PERSON OF UNSOUND MIND

No transfer shall be made to a minor or a person of unsound mind.

69. TRANSFER OF SHARES

1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

4. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

7. NO FEE ON TRANSFER OR TRANSMISSION

No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

70. TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

71. WHEN TRANSFER TO BE RETAINED

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

72. TRANSFER BOOKS WHEN ENCLOSED

The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register or Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45(forty five) days in each year but not exceeding 30 days at any one time.

80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

82A.

(i) Power to issue Share Warrants.

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

(ii) Deposit of Share Warrants.

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

(iii) Privileges and Disabilities of the holders of Share Warrants.

- (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

(iv) Issue of New Share Warrants Coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

Shares may be converted into stock

83. The Board may, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

Rights of Stock-holders

84. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

85.(a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

(b) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

86. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet

and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting

87. The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extra-ordinary General Meeting

88. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Length of notice for calling meeting

89. (1) A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

90. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be

annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special business

91. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

Explanatory Statement to be annexed to notice

92. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

PROVIDED that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

93. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

DIRECTORS

124. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.

Increase in number of Directors to require Government sanction

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

Power of Directors to appoint additional Directors and to fill casual vacancies

126. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either or fill casual vacancy or as an addition to the Board but so that the total number of Directors

shall not any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

- 130.(1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
- (ii) by way of commission if the Company by a special resolution authorises such payments.
- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.
- (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business

131. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

Disclosure of interest of Directors

- 133.(1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) (a) In case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

- (3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice in the last month of the financial year in which would it otherwise have expired.
- (c) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two per cent of the paid up share capital in the other company.

135D. Directors' sitting fees

The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time Determine.

135E. Directors and Managing Director may contract with Company

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

135F. Disqualification of the Director

A person shall not be capable of being appointed Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed form the date of expiry of the sentences;
- (e) he has not paid any call in respect of shares of the Company held by him

whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the cell; or

(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

135G. Director may be director of companies promoted by the Company

A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

RETIREMENT AND ROTATION OF DIRECTORS

Retirement of Directors by rotation

136. (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.

(4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless.

- (i) at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

Appointment of Director to be vote individually

137.(1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.

(3) For the purpose of this clause, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

138.(1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention or such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Marathi language.

(3) Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

Resignation of Director

139.A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

REMOVAL OF DIRECTORS

Removal of Directors

141.(1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 128 or a Debenture Director appointed under Article 129 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

- (3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.
- (a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and
- (b) send a copy of the representation to every member of the Company to who notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be readout at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 127 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 127 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (7) Nothing in this Article shall be taken:**
- (a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or
- (b) as derogating from any power to remove a Director which may exist apart from this Article.

Eligibility for re-election.

142. A retiring Director shall be eligible for re-election.

MANAGING DIRECTORS

Board may appoint Managing Director or Whole time Director

159. Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any of the Act, the Board of Director may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

Remuneration of Managing Directors or whole time Director

160. The remuneration of a Managing Director or whole time Director shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Sections 198 and 309 of the Act.

Directors may confer power on Managing Director

161. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

Managing Director not to exercise certain powers

162. The Managing Director or Managing Directors shall not exercise the powers to:
- (a) make calls on share holders in respect of money unpaid on the share of the Company
 - (b) issue of debentures and
 - (c) except delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.

Certain persons not to be appointed as Managing Directors

163. The Company shall not appoint or employ or continue the employment of any persons as its Managing Director or Whole-time Director who:
- (a) is an undischarged, insolvent or has at time been adjudged an insolvent;
 - (b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
 - (c) is or has at any time being, convicted by a Court of an offence involving moral turpitude.

- 163A. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

- 163B. Prohibition of simultaneous appointment of different categories of managerial personnel
The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

- a) Managing Director and
- b) Manager.

THE SECRETARY

164. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need

not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 383A of the Act.

The Seal, its Custody and use

165. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

DIVIDENDS

172. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

172A. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

172B. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Amounts paid in advance of calls not to be treated as paid up capital

173. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 176 as paid up on the share.

Apportionment of Dividends

174. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Declaration of Dividends

175. The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

Restriction on amount of dividend

176. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividend out of profits only and not to carry interest

177. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act.

What is to be deemed net profits

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

178. The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

Debts may be deducted

179. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

Dividend and call together

180. Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

Effect of transfer

181. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 206A of the Act.

Retention in certain cases

182. The Board may retain the dividends payable upon share in respect of which any person is under Article 76 entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement thereof

183. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

Payment by post

184. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged

endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

Dividend to be paid within Thirty days

185. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

186. Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Comfort Commotrade Limited Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Capitalisation of reserves

187. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1)Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2)Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3)Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

187A. Set-off of calls against dividends

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

187B. Fractional certificates

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
 - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

187C. Dividend in Cash.

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

187D. Board to give effect.

The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

SECTION IX

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by our Company or contracts entered into more than two years before this Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. Copies of these contracts together with copies of documents referred under Material Documents below, all of which have been attached to the copy of this Prospectus, may be inspected at the registered office of our Company from 10:00 am to 5:00 pm on any working day except Saturday, Sunday and Public holidays from the date of this Prospectus until the Bid/ Issue Closing Date.

Material contracts to the Issue

1. Public Issue Agreement dated 28th May, 2012 entered into between our Company and VC Corporate Advisors Private Limited, Lead Manager to the Issue.
2. Memorandum of Understanding dated 11th April, 2012 entered into between our Company and Sharepro Services (India) Private Limited, Registrar to the Issue.
3. Copy of tripartite agreement dated 15th May, 2012 entered into between our Company, CDSL and Registrar to the Issue.
4. Copy of tripartite agreement dated 8th May, 2012 entered into between our Company, NSDL and Registrar to the Issue.
5. Copy of tripartite agreement dated 28th May, 2012 entered between our Company, Lead Manager and the Market Maker to fulfill the obligations of Market Making.
6. Copy of tripartite agreement dated 28th May, 2012 entered between our Company, Lead Manager and the Market Maker to fulfill the obligations of Underwriting.
7. Escrow agreement dated 16th August, 2012 among our Company, the Registrar to the Issue, the Escrow Collections Banks and the Lead Manager.

Material Documents

1. Copy of Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation and Copy of Fresh Certificate of Incorporation Consequent upon Change of Name of Comfort Commotrade Limited.
3. Copy of the resolution passed at the meeting of the Board of Directors held on 22nd May, 2012 approving the issue.
4. Copy of Special Resolution passed under section 81(1A) of the Companies Act, 1956, at their EGM held on 28th May, 2012 authorizing present issue of Equity Shares.

5. Consents of Auditors, Bankers to the Company, Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Bankers to the Issue and Refund Banker as referred to, in their respective capacities.
6. Copy of Board meeting resolution dated 24th April, 2012 for appointment of Mr. Anil Agrawal as Whole Time Director.
7. Audited Balance sheets and Profit and Loss Accounts of our Company for the period ended March 31, 2008 and financial years ended March 31 2009, 2010, 2011 and 2012.
8. Board Resolution dated 26th June, 2012, for approval of Draft Prospectus and Board Resolution dated 16th August 2012 for approval of the Prospectus.
9. Audit report and restated financial information issued by our statutory auditors i.e. M/s. Bansal Bansal & Co., Chartered Accountants, dated 21st June, 2012 included in the Prospectus.
10. Letter dated 21st June, 2012 from the statutory Auditors of our Company, M/s. Bansal Bansal & Co., Chartered Accountants, detailing the tax benefits.
11. Copy of certificate from the statutory Auditors of our Company, M/s. Bansal Bansal & Co. Chartered Accountants, dated 14th August, 2012, regarding the sources and deployment of funds as 14th August, 2012.
12. Due Diligence Certificate dated 16th August 2012 to be submitted to SEBI from Lead Manager viz. VC Corporate Advisors Private Limited along with the filing of the Prospectus.
13. Copy of approval from BSE vide letter dated 10th August, 2012 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF COMFORT COMMOTRADE LIMITED

Mr. Anil Agrawal

Mr. Bharat Nanubhai Shiroya

Mr. Anil Kumar Shivkaran Nevatia

Mr. Sushil Kasturchand Jain

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sonia Jain

Place: Mumbai

Date: 16.08.2012