



**Annual Report  
&  
Accounts  
2011 - 12**

**FORTUNE INVESTORS & TRADERS LTD.**

## NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the Members of **M/S. FORTUNE INVESTORS & TRADERS LIMITED.** will be held on 29<sup>th</sup> September 2012 at 11.00 AM at 11B, Sunny Park, Kolkata-700019 to transact the following business :-

**1) ADOPTION OF ACCOUNTS:**

To receive, consider and adopt the Audited Accounts of the Company for the year ended 31.03.2012 and Report of the Directors and Auditors thereon.

**2) AUDITORS RE-APPOINTMENT:**

To appoint Auditors and authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

- 3)** To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

**RESOLVED That** Shri Hira Prasad Mishra who was appointed as an Additional Director by the Board be and hereby re-appointed as Director of the Company, liable to retire by Rotation.

- 4)** To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

**RESOLVED That** Smt.Uma Almal who was appointed as an Additional Director by the Board be and hereby re-appointed as Director of the Company, liable to retire by Rotation.

- 5)** To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

**RESOLVED That** Sri.Tapan Panda who was appointed as an Additional Director by the Board be and hereby re-appointed as Director of the Company, liable to retire by Rotation.

By Order of the Board

Sd/-

**(DIRECTOR)**

Regd. Office:

11B, Sunny Park, Kolkata-700019.

Date: 3<sup>rd</sup> day of September, 2012

**Notes:**

1. Members are requested to intimate immediately any change of their address registered with the Company quoting their respective folio number.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy form should be lodged with the Company at its Registered office, not later than Forty-eight hours before the time of commencement of the meeting.
3. The register of Members and the share transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2012 to 29<sup>th</sup> September 2012 (both days inclusive)
4. Explanatory Statement for Special Business is enclosed.

**Explanatory Statement U/s 173 of the Companies Act, 1956**

**Item No.3, 4&5**

Shri Hira Prasad Mishra, Smt.Uma Almal and Shri Tapan Panda were appointed by the Board of Directors as an Additional Director of the Company. Pursuant to section 260 of the Companies Act, 1956, they would hold office upto the date of this Annual General Meeting. As per notice received, the Board recommends the re-appointment of Shri Hira Prasad Mishra, Smt. Uma Almal and Shri Tapan Panda as Directors with the approval of the members in the Annual General Meeting.

## **DIRECTOR'S REPORT 2011-12**

To,  
The Members,

Your Directors are pleased to present the Annual Report of your company, together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2012.

### **FINANCIAL RESULTS**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2012</b>	<b>Year ended 31<sup>st</sup> March 2011</b>
Profit before Depreciation & Tax	4,102,682	3,245,041
Depreciation	399,654	415,172
<i>Provision for Taxation:</i>		
Current Tax	799,000	520,866
Deferred Tax	840	15,105
Profit after Depreciation & Tax	2,904,868	2,324,108
Balance brought forward from previous year	60,049,333	57,725,225
Balance Carried to Balance Sheet	62,954,201	60,049,333

### **PERFORMANCE OF THE COMPANY:**

The Net Profit after Tax for current year was at ₹ 29.04 lacs as compared with ₹ 23.24 lacs in the previous year 2010-11 due to increase in rental income and decrease in overall expenses. However, your directors are hopeful to perform better in the coming year.

### **PUBLIC DEPOSIT:**

The Company has not accepted any Public Deposit from the public during the year under review in terms of Section 58A & 58AA of the Companies Act'1956.

### **LISTING AGREEMENT:**

The share of the Company is listed in the Calcutta Stock Exchange Ltd. and there is no default in payment of listing fees.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors have:

- a) Followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
  
- b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of profit of your Company for that period:
  
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act,1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities ;and

d) Prepared the Annual Accounts on a going concern basis.

**PARTICULARS OF THE EMPLOYEES:**

As required by the provisions of Sections 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is not annexed herewith as there is no employee of the Company falling within its ambit.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING**

The Company is not covered in the list of specified industries under the Companies (Disclosure of particulars in the Report of Board of Directors) rules 1988 nor does it have any foreign exchange earnings or out goings.

**COMPLIANCE CERTIFICATE**

Compliance Certificate received from the firm of Company Secretaries is enclosed as required under section 383A (1) of the Companies Act, 1956.

**AUDITORS**

M/s. B.Chhawchharia & Co. Chartered Accountants, sent their consent letter u/s 224 (1)/(B) of the Companies Act,1950 if appointed. Your directors recommend their re-appointment.

**AUDITORS' REPORT:**

Auditors' Report is self- explanatory and need not call for any further clarification.

**ACKNOWLEDGEMENT:**

The Directors convey thanks to the Bank, Government Authorities, Investors and others who extended their co-operation to the Company.

For and on behalf of the Board of Directors

**SD/-  
(DIRECTOR)**

Kolkata  
3<sup>rd</sup> September, 2012

## **AUDITORS' REPORT**

### **To the members of Fortune Investors & Traders Limited**

We have audited the attached Balance Sheet of M/s. Fortune Investors & Traders Limited as at 31<sup>st</sup> March, 2012, the Profit & Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books;
  - c) The Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by the report are in agreement with the books of accounts;
  - d) In our opinion, subject to our comments in the following paragraphs, the Balance Sheet, the Profit & Loss Account and the Cash Flow statement comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors of the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;

- f) We have relied upon the management's representation relating to the disclosure regarding (a) Related Party Particulars as stated in Note 4 and (b) Segment Reporting as stated in Note 5, both on Notes to Accounts 24.
- g) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon and documents annexed thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- i) in the case of the Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March, 2012,
  - ii) in the case of Profit & Loss Account of the Profit for the year ended on that date, and
  - iii) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

Place: Kolkata  
Dated: 3<sup>rd</sup> September, 2012

For B. CHHAWCHHARIA & CO

SD/-  
Ashish Jaiswal  
Partner  
Chartered Accountants  
Firm Registration No. 305123E  
Membership No. 66471



## FORTUNE INVESTORS & TRADERS LIMITED

### ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date.

- (i) a) Proper records showing full particulars including quantitative details and situation of fixed assets are being updated by the company.
- b) According to the information and explanations given to us, all the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) a) According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no discrepancies were noticed on physical verification of inventory.
- (iii) a) The company has granted interest free unsecured loan, to a company, covered in the register maintained under section 301 of the companies Act,1956. The maximum amount involved during the year was ₹ 70.70 lacs and the year end balance of such loan given was Nil.
- b) In our opinion, the rate of interest and other terms and conditions on which loans has been given to such company and party listed in the register maintained under section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the company, and,
- c) The receipt of principal amounts and interest is as per stipulations, wherever such stipulations exist, and,
- d) In our opinion and according to the information and explanation given to us, there are no overdue amount of loan given to the company and,
- e) The company has taken unsecured loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 181.39 lacs and the year end balance of such loan taken was ₹ 2.86 lacs.
- f) In our opinion, the terms and conditions on which loans has been taken from such parties listed in the register maintained under section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the company, and,
- g) The payment of principal amounts and interest is as per stipulations, wherever such stipulations exist, and,

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of fixed assets, goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) a) According to the information and explanations given to us, the particulars of contracts and arrangements referred in section 301 of the Companies Act, 1956 are being updated in the register required to be maintained under the said section.  
  
b) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements referred to be entered into the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to ` 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposit during the year under review.
- (vii) The company has a formal internal audit system commensurate with the size of the company and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.
- (ix) In our opinion and according to the information and explanations given to us:
  - a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, as applicable, with the appropriate authorities.
  - b) There are no dues of Sales Tax, Income Tax, service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) There are no accumulated losses in the company and the company has not incurred any cash loss in the year under review or in the year immediately preceding the year under review.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) There are no loans outstanding as at the close of the year which has been granted by pledge of securities.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained by the company in respect of transactions and

contracts for dealing in shares and securities and timely entries have been made therein. All the shares are held by the company in its own name.

- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company for the year under review, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares during the year under review.
- (xix) The company has not issued any debentures during the year under review.
- (xx) The company has not raised any money by public issue during the year under review.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the year under review.

Place: Kolkata

Dated: 3<sup>rd</sup> September, 2012

For B. CHHAWCHHARIA & CO

SD/-

Ashish Jaiswal

Partner

Chartered Accountants

Firm Registration No. 305123E

Membership No. 66471

**FORTUNE INVESTORS & TRADERS LTD**  
**BALANCE SHEET AS AT 31.03.2012**

Particulars	Note	As at		As at	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	2,400,000		2,400,000	
Reserves and Surplus	2	<u>94,629,071</u>	97,029,071	<u>91,724,203</u>	94,124,203
<b>Non-Current Liabilities</b>					
Long-term Borrowings	3	486,256		-	
Other Long-term Liabilities	4	<u>5,039,561</u>	5,525,817	<u>5,690,383</u>	5,690,383
<b>Current Liabilities</b>					
Short-Term Borrowings	5	285,661		4,093,454	
Other Current Liabilities	6	2,867,476		919,986	
Short-Term Provisions	7	<u>3,852,880</u>		<u>3,053,880</u>	
			7,006,017		8,067,320
			<u>109,560,905</u>		<u>107,881,906</u>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	8	2,568,542		2,034,913	
Non-Current Investments	9	62,384,666		59,086,073	
Deferred Tax Assets	10	86,800		85,960	
Long-Term Loans and Advances	11	<u>1,799,531</u>	66,839,539	<u>1,798,147</u>	63,005,093
<b>Current Assets</b>					
Inventories	12	3,053,730		3,991,230	
Trade Receivables	13	122,331		227,306	
Cash and Cash Equivalents	14	(822,177)		132,025	
Short-Term Loans and Advances	15	40,315,776		40,456,943	
Other Current Assets	16	<u>51,706</u>		<u>69,309</u>	
			42,721,366		44,876,813
			<u>109,560,905</u>		<u>107,881,906</u>

**SIGNIFICANT ACCOUNTING POLICIES  
AND OTHER NOTES TO ACCOUNTS** 24

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

For B. Chhawchharia & Co.  
sd/-  
Aashish Jaiswal  
Partner  
Chartered Accountants  
Firm Registration No. 305123E  
Membership No. 66471  
Place: Kolkata  
Date: 3rd September, 2012

sd/-  
Rahul Almal (Director)

sd/-  
Atul Almal (Director)

**FORTUNE INVESTORS & TRADERS LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2012**

Particulars	Note	2011-2012 ₹	2010-2011 ₹
<b><u>Income</u></b>			
Revenue from Operations	17	5,513,230	7,282,750
Other Income	18	6,675,252	5,368,969
		12,188,482	12,651,719
<b><u>Expense</u></b>			
Purchase of Shares		-	2,495,734
Changes in Inventories	19	937,500	(932,053)
Employee Benefits Expense	20	2,528,093	2,266,448
Finance Costs	21	376,351	199,963
Depreciation		399,654	415,172
Other Expenses	22	4,243,856	5,376,586
		8,485,454	9,821,850
Profit before tax		3,703,028	2,829,869
Tax expense:			
Current Tax	23	799,000	520,866
Deferred Tax		840	15,105
Profit for the year		2,904,868	2,324,108
Earnings per equity share:			
Basic and Diluted		12.10	9.68

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

For B. Chhawchharia & Co.

sd/-

Aashish Jaiswal

Partner

Chartered Accountants

Firm Registration No. 305123E

Membership No. 66471

Place: Kolkata

Date: 3rd September, 2012

sd/-

Rahul Almal (Director)

sd/-

Atul Almal (Director)

**NOTES TO THE ACCOUNTS**

	AS AT 31.03.2012	AS AT 31.03.2011
	₹	₹
<b>1 SHARE CAPITAL</b>		
<u>Authorised :</u> 250000 Equity Shares of ₹ 10/- each	2,500,000	2,500,000
<u>Issued, Subscribed &amp; Paid up :</u> 240000 Equity shares of ₹ 10/- each fully paid up	2,400,000	2,400,000

a) Details of Shareholders holding more than 5% Shares in the Company

Name of Shareholders	As on 31.03.2012		As on 31.03.2011	
	Nos.	% Holding	Nos.	% Holding
Suresh Kumar Almal	46850	19.52%	46850	19.52%
Uma Almal	43825	18.26%	43825	18.26%
Estate of RK Almal	64450	26.85%	64450	26.85%
Ritu Almal	15450	6.44%	15450	6.44%
Suresh Kumar Almal (As Karta of Suresh Kumar Almal HUF)	50000	20.83%	50000	20.83%

b) Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	AS AT 31.03.2012	AS AT 31.03.2011
	₹	₹
<b>2 RESERVES &amp; SURPLUS</b>		
Capital Reserve	31,674,870	31,674,870
<u>Surplus in the Statement of Profit and Loss Account :</u>		
Balance as per last Account	60,049,333	57,725,225
Profit for the year	2,904,868	2,324,108
Net Surplus in the statement of Profit and Loss	62,954,201	60,049,333
	<u>94,629,071</u>	<u>91,724,203</u>
<b>3 LONG-TERM BORROWINGS</b>		
<u>Secured</u>		
Vehicle Loan - From Bank Hypothecated against the Vehicle financed by them	714,287	-
Terms of Repayment - Under 36 EMI Scheme		
Less : Current Maturity (Refer Note 6)	228,031	-
	<u>486,256</u>	<u>-</u>
<b>4 OTHER LONG TERM LIABILITY</b>		
Security Deposits :		
From Tenants	4,539,561	5,190,383
From Others	500,000	500,000
	<u>5,039,561</u>	<u>5,690,383</u>
<b>5 SHORT-TERM BORROWINGS</b>		
<u>Unsecured Loans</u>		
Repayable on Demand :		
- From Related Parties	285,661	1,570,707
- From Others	-	2,522,747
	<u>285,661</u>	<u>4,093,454</u>
<b>6 OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long Term Borrowing (Refer Note 3)	228,031	-
Outstanding Liabilities	2,207,432	350,598
Other Current Liabilities	320,744	464,717
TDS Payable	111,269	104,671
	<u>2,867,476</u>	<u>919,986</u>
<b>7 SHORT-TERM PROVISIONS</b>		
For Taxation	<u>3,852,880</u>	<u>3,053,880</u>

**NOTES TO THE ACCOUNTS (CONTD.)**

**9 NON-CURRENT INVESTMENTS**

Particulars	Face Value	No. of Shares/Units	As at 31.03.2012	No. of Shares/Units	As at 31.03.2011
	₹		₹		₹
<u>Others</u>					
<u>In Immovable Property</u>					
44, Park Street, Kolkata			31,844,648		31,844,648
<u>In fully paid up Equity shares of Subsidiary Company</u>					
<u>Un-Quoted</u>					
Atul Fiscal Services Ltd	10/-	-	-	239500	2,395,000
<u>In fully paid up Equity shares of Companies</u>					
<u>Quoted</u>					
DSQ Software Ltd	10/-	1000	8,100	1000	8,100
Himachal Futuristic Comm Ltd	1/-	14250	201,125	14250	201,125
Origin Agro Star Ltd	10/-	8000	30,400	8000	30,400
Wipro Ltd (Includes 2700 Bonus Shares)	2/-	3000	205,500	3000	205,500
<u>In fully paid up Equity shares of Associates</u>					
<u>Un-Quoted</u>					
Ambrosia Nirman Pvt Ltd	10/-	17000	1,278,190	17000	1,278,190
Atul Mercantile Ltd	10/-	2172825	20,388,158	1988425	17,231,777
Gandevta Trading & Holdings Pvt Ltd	10/-	-	-	87500	879,381
Techprop Developers Pvt Ltd	10/-	34000	3,740,000	34000	3,740,000
			25,851,473		23,574,473
<u>In Capital of a Partnership Firm</u>					
R. K. Almal & Co			4,688,545		1,271,952
			<b>62,384,666</b>		<b>59,086,073</b>
Aggregate amount of Quoted Investments			445,125		445,125
Aggregate amount of Un-quoted Investments			61,939,541		58,640,948
Market Value of Quoted Investments			1,522,383		1,642,135

The particulars of Partnership Businesses are given below:  
R.K.Almal & Co.

Name of Partners	Share	+ Capital (₹)
a Uma Almal	18.00%	2,870,293
b Rahul Almal	17.00%	7,660,893
c Atul Almal	17.00%	5,889,213
d Techprop Developers Pvt. Ltd.	16.00%	1,900,324
e Fortune Investors & Traders Limited	16.00%	4,688,545
f RKA Realtors Private Limited	16.00%	(470,033)
	100.00%	

+ On the basis of Audited Balance Sheet as at 31.03.2012

	AS AT 31.03.2012	AS AT 31.03.2011
	₹	₹
<b>10 DEFERRED TAX ASSETS</b>		
Deferred Tax Assets on Fiscal allowance of fixed assets	86,800	85,960
<b>11 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Deposits		
- To Related Parties	1,500,000	1,500,000
- To Others	299,531	298,147
	1,799,531	1,798,147
<b>12 INVENTORIES</b>		
Shares & Securities (Particulars as given below)	3,053,730	3,991,230

**NOTES TO THE ACCOUNTS (CONTD.)**

	AS AT 31.03.2012	AS AT 31.03.2011
	₹	₹
<b>13 TRADE RECEIVABLES</b>		
(Considered good)		
<u>Secured</u>		
Due for more than six months	50,010	36,293
Other Debts	65,255	191,013
	<u>7,066</u>	<u>-</u>
<u>Unsecured</u>		
Due for less than six months	-	-
	<u>122,331</u>	<u>227,306</u>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash-in-hand	4,229	6,635
Balances with Scheduled Banks :		
In Current Account	(826,406)	125,390
	<u>(822,177)</u>	<u>132,025</u>
<b>15 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans		
- To Related Parties (*)	-	7,070,025
- To Others	-	2,507,490
Other Advances		
- To Related Parties (+)	1,306,458	125,709
- To Others	874,883	642,705
Advance against Purchase of Property		
- To Related Parties (+)	32,615,000	25,214,000
Balance with Government Authorities	17,421	16,088
Taxation Advance & Refundable	5,502,014	4,880,926
	<u>40,315,776</u>	<u>40,456,943</u>
(*) Not bearing Interest	-	7,070,025
(+) Due from:		
- Private Companies in which directors are interested	33,878,179	114,102
- A Director	43,279	-
<b>16 OTHER CURRENT ASSETS</b>		
(To the extent not written off or adjusted)		
Demerger Expenses	51,706	69,309
	<u>51,706</u>	<u>69,309</u>
	<u>2011 - 2012</u>	<u>2010 - 2011</u>
	₹	₹
<b>17 REVENUE FROM OPERATIONS</b>		
Sales - Shares	952,500	1,000
Rent	4,433,730	4,273,166
Compensation	127,000	3,008,584
	<u>5,513,230</u>	<u>7,282,750</u>
<b>18 OTHER INCOME</b>		
Interest on Loan		
- On Loan	799,138	8,357
- On Partner's Capital	238,421	848,963
- On Security Deposit	2,223	11,607
- On Income Tax Refund	-	20,542
Amenities Charges	5,121,075	4,398,993
Dividend	18,100	16,957
Share of Profit from Partnership firm		
- RK Almal & Co.	15,172	58,765
Liabilities written back	65,289	3,224
Profit on Sale of Investment	236,000	-
Miscellaneous Income	179,834	1,561
	<u>6,675,252</u>	<u>5,368,969</u>
<b>19 CHANGES IN INVENTORIES</b>		
Opening Stock :		
- Immovable property	-	31,844,648
- Shares	3,987,950	3,055,897
- Debentures	3,280	3,280
	<u>3,991,230</u>	<u>34,903,825</u>
Less : Transfer to Investments on 01.04.2010	-	31,844,648
	<u>3,991,230</u>	<u>3,059,177</u>
Less : Closing Stock :		
- Shares	3,050,450	3,987,950
- Debentures	3,280	3,280
	<u>937,500</u>	<u>(932,053)</u>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Director's Remuneration	1,371,290	1,200,000
Salary, bonus and allowances	1,022,189	1,003,665
Staff welfare expenses	134,614	62,783
	<u>2,528,093</u>	<u>2,266,448</u>
<b>21 FINANCE COSTS</b>		
Interest :		
On Car Loans	13,137	-
On Term Loans	-	43,918
On Others	363,214	156,045
	<u>376,351</u>	<u>199,963</u>



## NOTES TO THE ACCOUNTS (CONTD.)

	2011 - 2012	2010 - 2011
	₹	₹
<b>22 OTHER EXPENSES</b>		
Rent	136,860	136,860
Rates and Taxes	1,067,824	797,744
Insurance	228,286	217,436
Travelling and Conveyance	293,959	1,404,649
Electricity Charges	454,160	89,862
Professional Charges	139,400	57,721
Telephone, Telex & Fax	154,572	141,862
Motor Car Expenses	276,044	312,206
Auditors' Remuneration :		
For Statutory Audit	40,000	30,000
For Internal Audit	5,000	5,000
For Tax Audit	7,500	5,000
For Other Services	17,861	13,000
Computer Expenses	-	-
Miscellaneous expenses	809,671	1,338,633
Repairs & Maintenance		
- For Building	69,918	347,851
- For Others	488,822	461,075
Demerger Expenses written off	17,603	17,603
Irrecoverable debts and advances written off	36,376	84
	<u>4,243,856</u>	<u>5,376,586</u>
<b>23 TAX EXPENSES</b>		
<u>Current Tax</u>		
Income Tax	799,000	521,000
Income Tax Adjustments	-	(134)
	<u>799,000</u>	<u>520,866</u>
Deferred Tax	(840)	(15,105)
	<u>798,160</u>	<u>505,761</u>

NOTES TO THE ACCOUNTS (CONTD.)

8 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2011	Additions / (Sales)	As at 31.03.2012	Upto 31.03.2011	For the Year	Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	₹	₹	₹	₹	₹		₹	₹	₹
<u>Tangible Assets</u>									
Furniture & Fixtures	1,002,819	-	1,002,819	652,189	63,464	-	715,653	287,166	350,630
Vehicles	1,167,844	938,105 (387,844)	1,718,105	873,082	111,995	259,326	725,751	992,354	294,762
Office Equipments	3,022,787	117,040	3,139,827	1,702,808	195,018	-	1,897,826	1,242,001	1,319,979
Computers	1,145,004	6,656	1,151,660	1,075,462	29,177	-	1,104,639	47,021	69,542
<b>Grand Total</b>	<b>6,338,454</b>	<b>1,061,801</b> <b>(387,844)</b>	<b>7,012,411</b>	<b>4,303,541</b>	<b>399,654</b>	<b>259,326</b>	<b>4,443,869</b>	<b>2,568,542</b>	<b>-</b>
Previous Year Figures	6,298,206	108,748 (68,500)	6,338,454	3,924,281	415,172	35,912	4,303,541	-	2,034,913

**NOTES TO THE ACCOUNTS (Contd.....)**

**24. NOTES ON ACCOUNTS**

**1 SIGNIFICANT OF ACCOUNTING POLICIES:**

a) **SYSTEM OF ACCOUNTING**

The Accounts have been prepared on accrual basis in accordance with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 based on historical cost convention.

b) **REVENUE RECOGNITION**

Income and Expenditure are considered on accrual basis except which are uncertain in nature.

c) **FIXED ASSETS**

Fixed Assets have been stated at cost less depreciation.

d) **DEPRECIATION**

Depreciation has been considered at written down value method at the rate prescribed in Schedule XIV to the Companies Act, 1956.

e) **INVESTMENTS**

i) Long term Investment are carried at acquisition cost & investment intended to be held for less than one year are classified at current investment and are carried at lower of cost or market value. Long Term Investments which have attained the stage of permanent diminution in their value are revalued at their current value.

ii) Investment in Immovable property is valued at Revalued Amount.

f) **INVENTORIES**

i) Stock of Quoted Shares is valued at cost and market value which ever is lower.

ii) Stock of Unquoted Shares is valued at cost.

g) **RETIREMENT BENEFITS**

Gratuity is accounted for on cash basis.

h) **LEAVE SALARY**

Leave not utilised due to employees at the end of the year has been provided for.

i) **TAXES ON INCOME**

i) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

ii) Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

j) **IMPAIRMENT OF ASSETS**

Impairment Loss in the value of assets, as specified in Accounting Standard – 28 is recognized whenever carrying value of such assets exceeds the market value or value- in- use, whichever is higher.

2. Unabsorbed MAT Credit Nil (P.Y. ₹ 2,15,017/-)

3. The “Earning per Share” (EPS) has been calculated as specified in Accounting Standard – 20 issued by the Institute of Chartered Accountants of India by dividing the Net Profit after Tax by the number of equity shares allotted by the Company.

4. Related parties & transactions with them as specified in the Accounting Standard 18 on “Related Parties Disclosures” issued by ICAI has been identified and given below :

1. Enterprises where control exists	N.A..
2. Associates & Joint Ventures	Atul Mercantile Ltd., Techprop Developers Pvt. Ltd. Ambrosia Nirman Pvt. Ltd.
3. Individuals owning an interest in the voting power of the company and their relatives	Suresh Kumar Almal (As Karta of Suresh Kumar Almal HUF)
4. Key Management Personnel & their relatives	Uma Almal (Director) Rahul Almal (Director) Atul Almal (Director)

**NOTES TO THE ACCOUNTS (Contd.....)**

5. Enterprises over which any person referred to in (3) or (4) is able to exercise significant influence

Atul Mercantile Ltd., RKA Realtors Pvt.Ltd.,  
Techprop Developers Pvt. Ltd., R.K. Almal & Co.,  
Signature Commercial Pvt. Ltd., Techprop Constructions  
Pvt. Ltd., Standard Packaging Pvt. Ltd.,  
Techbuild Developers Pvt. Ltd., Estate of RK Almal.

Nature of Transaction	Holding Company		Enterprise over which Key Management Personnel & their relatives are able to exercise significant influence		Key Management Personnel & their relatives	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	₹	₹	₹	₹	₹	₹
<u>Income</u>						
Interest	-	-	1,025,502	848,998	-	-
Share of profit from Partnership Firm	-	-	15,172	58,765	-	-
Sale of Shares	-	-	-	-	354,000	-
<u>Expenses</u>						
Interest	-	-	332,734	130,771	-	-
Remuneration	-	-	-	-	1,371,290	1,200,000
Medical Expenses	-	-	-	-	40,684	6,445
Rent	-	-	114,000	114,000	-	-
Management Consultancy charges	-	-	36,000	24,000	-	-
<u>Balance at the Year end</u>						
Amount Payable						
- Loan	-	-	285,661	1,570,707	-	-
- Others	-	-	26,652	4,579	-	34,866
Amount Receivable						
- Security Deposits	-	-	1,500,000	1,500,000	-	-
- Loan	-	-	-	7,070,025	-	-
- Against Demerger	-	-	1,138,394	14,300	-	-
- Others	-	-	124,323	99,378	43,279	-
- Advance against Purchase of Property	-	-	32,615,000	25,214,000	-	-
- Interest Receivable	-	-	462	424	-	-

5. Segmental Reporting under AS 17 issued by The Institute of Chartered Accountant of India.

A) Primary Segment :

PARTICULARS	REAL ESTATE	TRADING	JNALLOCATED	TOTAL
Segment Revenues	9,681,805	952,500	1,554,177	12,188,482
Result				
Profit Before interest, Tax and Depreciation	7,920,157	15,000	(3,456,124)	4,479,033
Less:- Depreciation		-		399,654
Less:- Interest Expenses		-		376,351
Less:- Provision for Taxation		-		
Current Tax		-		799,000
Income Tax Adjustment		-		-
Deferred Tax		-		(840)
Security Transaction Tax		-		-
Tax Adjustment		-		-
Net Profit		-		2,904,868
Segment Assets	32,160,510	33,593,748	43,719,847	109,474,105
Segment Liabilities	5,039,561	-	7,492,273	12,531,834

B) Secondary Segment :

Not Applicable to the Company

6. Additional Information

Expenditure in Foreign Currency  
Directors' Travelling

2,62,658/- (P.Y. 6,52,194/-)

**NOTES TO THE ACCOUNTS (Contd.....)**

7. The Company has filed a suit before the Hon'ble High Court at Kolkata for vacating a portion of Company's property at 44, Park Street, Kolkata let out to Punjab National Bank and in view thereof, has not been accepting the Rental and other cheques from the said Bank w.e.f. 10.07.2011 nor has accounted for Rental and other re- imbursement in these accounts from the said date. Necessary adjustments shall be made on finality.

8. The Company has applied to the Reserve Bank of India (RBI) for surrendering its NBFC registration certificate since the company is no more a Non Banking Financial Company and hence, particulars as required in terms of Para 13 of the Non banking Financial (Non Deposit Accepting or Holding) Companies & Prudential Norms (Reserve Bank) Directions, 2007 are not given.

9. On the basis of physical verification of assets, as specified in Accounting Standard –28 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2012.

10. a) Previous year figures have been rearranged/regrouped/reclassified as per the requirements of Revised Schedule VI wherever considered necessary.

b) Figures for the previous year above are given in brackets.

Signature to Notes 1 to 24

For B. Chhawchharia & Co.

sd/-

Aashish Jaiswal

Partner

Chartered Accountants

Firm Registration No. 305123E

Membership No. 66471

Place : Kolkata

Date: 3rd September, 2012

sd/-

Rahul Almal (Director)

sd/-

Atul Almal (Director)

**FORTUNE INVESTORS & TRADERS LIMITED**

**Cash Flow Statement for the year ended 31st March, 2012**

	2011 - 2012	2010 - 2011
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax & Extraordinary Item	3,703,028	2,829,869
<u>Adjusted for :</u>	<u>3,703,028</u>	<u>2,829,869</u>
Interest	(1,039,782)	(889,469)
Dividend	(18,100)	(16,957)
Depreciation	399,654	415,172
Demerger Expenses	17,603	(64,898)
Interest Paid	376,351	199,963
Stock Transfer to Investment	-	31,844,648
Profit on Sale of Investments	(236,000)	-
Share of Profit from Partnership Firm	(15,172)	(58,765)
Loss on Sale of Fixed Assets	6,018	15,228
Operating Profit before working capital changes	<u>3,193,600</u>	<u>34,274,791</u>
<u>Adjusted for :</u>		
Trade and other Receivables	(8,711,669)	(25,199,819)
(Increase)/Decrease in Inventories	937,500	(932,053)
Trade Payable and other liabilities	1,296,668	3,277,458
Cash Generated from operations	<u>(3,283,901)</u>	<u>11,420,377</u>
Direct Taxes Paid(Net)	(621,088)	(874,766)
Cash flow before extra-ordinary items	(3,904,989)	10,545,611
Extra ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES "A"</b>	<u><b>(3,904,989)</b></u>	<u><b>10,545,611</b></u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1,061,801)	(108,748)
Sale of Fixed Assets	122,500	17,360
Profit on Sale of Investment	236,000	-
Interest	1,039,782	889,469
Dividend	18,100	16,957
Loan	9,577,515	1,752,510
Decrease /(Increase) in Investment	(3,298,593)	(15,067,566)
Share of Profit from Partnership Firm	15,172	58,765
<b>NET CASH FROM INVESTING ACTIVITIES "B"</b>	<u><b>6,648,675</b></u>	<u><b>(12,441,253)</b></u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(376,351)	(199,963)
Increase/(Decrease) in Borrowings	(3,321,537)	1,425,097
<b>NET CASH USED IN FINANCING ACTIVITIES "C"</b>	<u><b>(3,697,888)</b></u>	<u><b>1,225,134</b></u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(954,202)</b>	<b>(670,508)</b>
<b>CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>132,025</b>	<b>802,533</b>
<b>CASH &amp; CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>(822,177)</b>	<b>132,025</b>

NOTES: 1) Proceeds from long term and other borrowings are showing net of repayment.

2) Cash and cash equivalent represent cash and bank balance only.

In terms of our Report of even date attached herewith.

For B. Chhawchharia & Co.

sd/-

Aashish Jaiswal

Partner

Chartered Accountants

Firm Registration No. 305123E

Membership No. 66471

Place : Kolkata

Date: 3rd September, 2012

sd/-  
Rahul Almal

sd/-  
Atul Almal