



**Annual Report
&
Accounts
2012 - 13**

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 27th September 2013 at 2.00 P.M. 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 31.03.2013 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.

By Order of the Board

Sd/-
(DIRECTOR)

Regd. Office:
11B, Sunny Park, Kolkata-700019.
Date: 2nd day of September, 2013

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 20th September 2013 to 27th September 2013 (both days inclusive)

DIRECTOR'S REPORT 2012-13

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 31st March, 2013.

FINANCIAL RESULTS

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Profit before Depreciation & Tax	6,303,863	4,102,682
Depreciation	505,481	399,654
<i>Provision for Taxation:</i>		
Current Tax	13,51,000	7,99,000
Deferred Tax	28,300	840
Profit after Depreciation & Tax	44,75,682	2,904,868
Balance brought forward from previous year	62,954,201	60,049,333
Balance Carried to Balance Sheet	6,74,29,883	62,954,201

PERFORMANCE OF THE COMPANY:

The Net Profit after Tax for current year was at ₹ 44.75 lacs as compared with ₹ 29.04 lacs in the previous year 2011-12 due to increase in rental income and other 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

- c) Affairs of your Company at the end of the financial year and of profit of your Company for that period:
- d) 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
- e) 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
30th May , 2013

AUDITOR'S REPORT

To the Members of M/s FORTUNE INVESTORS & TRADERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s FORTUNE INVESTORS & TARDERS LIMITED ("The Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

The company is not disclosing particulars as required in pursuance of Accounting Standard – 15 "Employee Benefit".

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013, and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date, and
- (c) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) None of the directors is disqualified from being appointed as a director of the company in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. Chhawchharia & Co.
Chartered Accountants
Firm Registration No. 305123E

Sd/-
Aashish Jaiswal
Partner

Membership No. 66471

Place : Kolkata

Date : 30th May, 2013

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 not given any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) 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 ` 2.86 lacs and the year end balance of such loan taken was Nil.
 - c) 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,
 - d) 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.

For B. Chhawchharia & Co.
Chartered Accountants
Firm Registration No. 305123E

Sd/-
Aashish Jaiswal
Partner

Place : Kolkata
Date : 30th May, 2013

Membership No. 66471

FORTUNE INVESTORS & TRADERS LIMITED
BALANCE SHEET AS AT 31.03.2013

Particulars	Note	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,400,000		2,400,000	
Reserves and Surplus	2	<u>99,104,753</u>	101,504,753	<u>94,629,071</u>	97,029,071
Non-Current Liabilities					
Long-term Borrowings	3	232,752		486,256	
Other Long-term Liabilities	4	<u>5,039,561</u>	5,272,313	<u>5,039,561</u>	5,525,817
Current Liabilities					
Short-Term Borrowings	5	-		285,661	
Other Current Liabilities	6	35,282,158		2,867,476	
Short-Term Provisions	7	<u>5,203,880</u>	40,486,038	<u>3,852,880</u>	7,006,017
			<u>147,263,104</u>		<u>109,560,905</u>
ASSETS					
Non-Current Assets					
Fixed Assets	8	2,114,311		2,568,542	
Non-Current Investments	9	130,576,011		62,384,666	
Deferred Tax Assets	10	115,100		86,800	
Long-Term Loans and Advances	11	<u>345,783</u>	133,151,205	<u>1,799,531</u>	66,839,539
Current Assets					
Inventories	12	336,950		3,053,730	
Trade Receivables	13	135,659		122,331	
Cash and Cash Equivalents	14	296,720		(822,177)	
Short-Term Loans and Advances	15	12,611,423		40,315,776	
Other Current Assets	16	<u>731,147</u>	14,111,899	<u>51,706</u>	42,721,366
			<u>147,263,104</u>		<u>109,560,905</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.
Chartered Accountants
Firm Registration No. 305123E

sd/-

(Managing Director)

sd/-
Aashish Jaiswal
Partner
Membership No. 66471
Place: Kolkata
Date: 30th May,2013

sd/-

(Director)

FORTUNE INVESTORS & TRADERS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2013

Particulars	Note	2012-2013 ₹	2011-2012 ₹
<u>Income</u>			
Revenue from Operations	17	7,509,566	5,513,230
Other Income	18	9,416,816	6,675,252
		16,926,382	12,188,482
<u>Expense</u>			
Changes in Inventories	19	2,716,780	937,500
Employee Benefits Expense	20	2,908,731	2,528,093
Finance Cost	21	277,946	376,351
Depreciation		505,481	399,654
Other Expenses	22	4,719,062	4,243,856
		11,128,000	8,485,454
Profit before tax		5,798,382	3,703,028
Tax expense:			
Current Tax	23	1,351,000	799,000
Deferred Tax		28,300	840
Profit for the year		4,475,682	2,904,868
Earnings per equity share:			
Basic and Diluted		18.65	12.10

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.
Chartered Accountants
Firm Registration No. 305123E

sd/-

(Managing Director)

sd/-
Aashish Jaiswal
Partner
Membership No. 66471
Place: Kolkata
Date: 30th May,2013

sd/-

(Director)

NOTES TO THE ACCOUNTS

	AS AT 31.03.2013	AS AT 31.03.2012
	₹	₹
1 SHARE CAPITAL		
<u>Authorised :</u> 250000 Equity Shares of ₹ 10/- each	2,500,000	2,500,000
<u>Issued, Subscribed & 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.

Name of Shareholders	As on 31.03.2013		As on 31.03.2012	
	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 HU)	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 31.03.2013	AS AT 31.03.2012
	₹	₹
2 RESERVES & SURPLUS		
Capital Reserve	31,674,870	31,674,870
<u>Surplus in the Statement of Profit and Loss :</u>		
Balance as per last Account	62,954,201	60,049,333
Profit for the year	4,475,682	2,904,868
Net Surplus in the Statement of Profit and Loss	67,429,883	62,954,201
	99,104,753	94,629,071
3 LONG-TERM BORROWINGS		
<u>Secured</u>		
Vehicle Loan - From Bank	486,256	714,287
Hypothecated against the Vehicle financed by them		
Terms of Repayment - Under 36 EMI Scheme		
Less : Current Maturity (Refer Note 6)	253,504	228,031
	232,752	486,256
4 OTHER LONG TERM LIABILITY		
<u>Security Deposits :</u>		
From Tenants	4,539,561	4,539,561
From Others	500,000	500,000
	5,039,561	5,039,561
5 SHORT-TERM BORROWINGS		
<u>Unsecured Loans</u>		
Repayable on Demand :		
- From Related Parties	-	285,661
6 OTHER CURRENT LIABILITIES		
Current Maturity of Long Term Borrowing (Refer Note 3)	253,504	228,031
Advance against Sale of Shares	32,550,000	-
Outstanding Liabilities	2,257,039	2,207,432
Other Current Liabilities	154,509	320,744
TDS Payable	67,106	111,269
	35,282,158	2,867,476
7 SHORT-TERM PROVISIONS		
For Taxation	5,203,880	3,852,880

NOTES TO THE ACCOUNTS (CONTD.)

9 **NON-CURRENT INVESTMENTS**

Particulars	Face	No. of Shares	As at 31.03.2013	No. of Shares	As at 31.03.2012
	₹		₹		₹
<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 Companies</u>					
<u>Quoted</u>					
DSQ Software Limited	10/-	1000	8,100	1000	8,100
Himachal Futuristic Comm Limited	1/-	14250	201,125	14250	201,125
Origin Agro Star Limited	10/-	8000	30,400	8000	30,400
Wipro Limited (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 Private Limited	10/-	-	-	17000	1,278,190
Atul Mercantile Limited	10/-	2172825	20,388,158	2172825	20,388,158
Techprop Developers Private Limited	10/-	-	-	34000	3,740,000
			20,833,283		25,851,473
<u>In Capital of a Partnership Firm</u>					
R. K. Almal & Co			77,898,080		4,688,545
			130,576,011		62,384,666
Aggregate amount of Quoted Investments			445,125		445,125
Aggregate amount of Un-quoted Investments			130,130,886		61,939,541
Market Value of Quoted Investments			1,465,248		1,522,383

The particulars of Partnership Businesses are given below:

R.K.Almal & Co.

Name of Partners	Share	+ Capital (₹)
a Uma Almal	18.00%	306,411
b Rahul Almal	17.00%	8,629,602
c Atul Almal	17.00%	7,408,256
d Techprop Developers Private Limited	16.00%	(29,340,663)
e Fortune Investors & Traders Limited	16.00%	77,898,080
f RKA Realtors Private Limited	16.00%	(20,284,000)
	100.00%	

+ On the basis of Audited Balance Sheet as at 31.03.2013

	AS AT 31.03.2013	AS AT 31.03.2012
	₹	₹
10 DEFERRED TAX ASSETS		
Deferred Tax Assets on Fiscal allowance of fixed assets	115,100	86,800
11 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Deposits		
- To Related Parties	-	1,500,000
- To Others	345,783	299,531
	345,783	1,799,531
12 INVENTORIES		
Shares & Securities (Particulars as given below)	336,950	3,053,730

NOTES TO THE ACCOUNTS (CONTD.)

	AS AT 31.03.2013	AS AT 31.03.2012
	₹	₹
13 TRADE RECEIVABLES		
(Considered good)		
<u>Secured</u>		
Due for more than six months	50,010	50,010
Other Debts	78,583	65,255
<u>Unsecured</u>		
Due for less than six months	7,066	7,066
	<u>135,659</u>	<u>122,331</u>
14 CASH AND CASH EQUIVALENTS		
Cash-in-hand	90,168	4,229
Balances with Scheduled Banks in Current Account	206,552	(826,406)
	<u>296,720</u>	<u>(822,177)</u>
15 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Other Advances		
- To Related Parties (+)	1,268,907	1,306,458
- To Others	1,010,223	874,883
Advance against Purchase of Property		
- To Related Parties (+)	4,000,000	32,615,000
Balance with Government Authorities	38,903	17,421
Taxation Advance & Refundable	6,293,390	5,502,014
	<u>12,611,423</u>	<u>40,315,776</u>
(+) Due from:		
- Private Companies in which directors are interested	5,268,907	33,878,179
- A Director	-	43,279
16 OTHER CURRENT ASSETS		
(To the extent not written off or adjusted)		
Demerger Expenses	731,147	51,706
	<u>731,147</u>	<u>51,706</u>
	<u>2012 - 2013</u>	<u>2011 - 2012</u>
	₹	₹
17 REVENUE FROM OPERATIONS		
Sales - Shares	3,770,000	952,500
Rent	3,739,566	4,433,730
Compensation	-	127,000
	<u>7,509,566</u>	<u>5,513,230</u>
18 OTHER INCOME		
Interest on Loan		
- On Loan	35	799,138
- On Partner's Capital	3,663,430	238,421
- On Security Deposit	8,532	2,223
Amenities Charges	4,692,156	5,121,075
Dividend	18,100	18,100
Share of Profit from Partnership firm		
- RK Almal & Co.	56,105	15,172
Liabilities written back	2,430	65,289
Profit on Sale of Investment - Net	976,022	236,000
Miscellaneous Income	6	179,834
	<u>9,416,816</u>	<u>6,675,252</u>
19 CHANGES IN INVENTORIES		
Opening Stock :		
- Shares	3,050,450	3,987,950
- Debentures	3,280	3,280
	<u>3,053,730</u>	<u>3,991,230</u>
Less : Closing Stock :		
- Shares	333,670	3,050,450
- Debentures	3,280	3,280
	<u>336,950</u>	<u>3,053,730</u>
	<u>2,716,780</u>	<u>937,500</u>
20 EMPLOYEE BENEFITS EXPENSE		
Director's Remuneration	1,740,000	1,371,290
Salary, bonus and allowances	964,009	1,022,189
Staff welfare expenses	204,722	134,614
	<u>2,908,731</u>	<u>2,528,093</u>
21 FINANCE COST		
Interest :		
On Car Loans	65,069	13,137
On Others	212,877	363,214
	<u>277,946</u>	<u>376,351</u>

NOTES TO THE ACCOUNTS (CONTD.)

	<u>2012 - 2013</u>	<u>2011 - 2012</u>
	₹	₹
22 OTHER EXPENSES		
Rent	25,507	136,860
Rates and Taxes	7,300	1,067,824
Insurance	221,872	228,286
Travelling and Conveyance	536,029	293,959
Electricity Charges	491,864	454,160
Professional Charges	353,550	139,400
Telephone, Telex & Fax	112,746	154,572
Motor Car Expenses	180,128	276,044
Auditors' Remuneration :		
For Statutory Audit	40,000	40,000
For Internal Audit	5,000	5,000
For Tax Audit	7,500	7,500
For Other Services	14,000	17,861
Miscellaneous expenses	921,106	514,439
Business Promotion Expense	330,331	295,232
Repairs & Maintenance		
- For Building	-	69,918
- For Others	408,961	488,822
Demerger Expenses written off	1,063,168	17,603
Irrecoverable debts and advances written off	-	36,376
	<u>4,719,062</u>	<u>4,243,856</u>
23 TAX EXPENSES		
<u>Current Tax</u>		
Income Tax	1,351,000	799,000
Deferred Tax	(28,300)	(840)
	<u>1,322,700</u>	<u>798,160</u>

NOTES TO THE ACCOUNTS (CONTD.)

8 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2012	Additions / (Deduction)	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjustment	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹		₹	₹	₹
<u>Tangible Assets</u>									
Furniture & Fixtures	1,002,819	-	1,002,819	715,653	51,977	-	767,630	235,189	287,166
Vehicles	1,718,105	-	1,718,105	725,751	256,921	-	982,672	735,433	992,354
Office Equipments	3,139,827	51,250	3,191,077	1,897,826	177,775	-	2,075,601	1,115,476	1,242,001
Computers	1,151,660	-	1,151,660	1,104,639	18,808	-	1,123,447	28,213	47,021
Grand Total	7,012,411	51,250	7,063,661	4,443,869	505,481	-	4,949,350	2,114,311	-
Previous Year Figures	6,338,454	1,061,801 (387,844)	7,012,411	4,303,541	399,654	259,326	4,443,869	-	2,568,542

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/Securities is valued at cost and market value which ever is lower.
ii) Stock of Unquoted Shares/ Securities 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) **DEMERGER EXPENSE**
Demerger Expense is written off over a period of five years.
- j) **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.
- k) **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 a) No Provision has been made for accruing liability of Gratuity of ₹ 1.02 Lacs (P.Y. Nil).
b) b) Particulars required to be disclosed in pursuance of Accounting Standard - 15 (revised 2005) on " Employee Benefits" as issued by The Institute of Chartered Accountants of India is not determined and hence, not disclosed.
- 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 and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" issued by The Institute of Chartered Accountants of india has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.
- | | |
|--|---|
| 1. Enterprises where control exists | N.A.. |
| 2. Associates & Joint Ventures | Atul Mercantile Limited |
| 3. Individuals owning an interest in the voting power of the company and their relatives | Nil |
| 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 Limited, RKA Realtors Private Limited, Techprop Developers Private Limited, R.K. Almal & Co., Signature Commercial Private Limited, Techprop Constructions Private Limited, Standard Packaging Private Limited, Techbuild Developers Private Limited, Rosewood Infra Projects Private Limited, 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	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
<u>Income</u>						
Interest	-	-	3,663,465	1,025,502	-	-
Share of profit from Partnership Firm	-	-	56,105	15,172	-	-
Sale of Shares	-	-	2,470,000	-	1,300,000	354,000
<u>Expenses</u>						
Interest	-	-	-	332,734	-	-
Remuneration	-	-	-	-	1,740,000	1,371,290
Medical Expenses	-	-	-	-	114,633	40,684
Rent	-	-	-	114,000	-	-
Management Consultancy charges	-	-	-	36,000	-	-
<u>Balance at the Year end</u>						
Amount Payable						
- Loan	-	-	-	285,661	-	-
- Others	-	-	-	26,652	-	-
Amount Receivable						
- Security Deposits	-	-	-	1,500,000	-	-
- Against Demerger	-	-	1,138,394	1,138,394	-	-
- Others	-	-	130,513	124,323	-	43,279
- Advance against Purchase of Property	-	-	4,000,000	32,615,000	-	-
- Interest Receivable	-	-	-	462	-	-

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

A) Primary Segment :

PARTICULARS	REAL ESTATE	TRADING	UNALLOCATED	TOTAL
Segment Revenues	8,431,722	3,770,000	4,724,660	16,926,382
Result				
Profit Before interest, Tax and Depreciation	7,623,582	1,053,220	(2,094,993)	6,581,809
Less:- Depreciation	-	-	505,481	505,481
Less:- Interest Expenses	-	-	277,946	277,946
Less:- Provision for Taxation	-	-	-	-
Current Tax	-	-	1,351,000	1,351,000
Income Tax Adjustment	-	-	-	-
Deferred Tax	-	-	(28,300)	(28,300)
Security Transaction Tax	-	-	-	-
Tax Adjustment	-	-	-	-
Net Profit	-	-	4,475,682	4,475,682
Segment Assets	32,217,340	99,068,313	15,862,351	147,148,004
Segment Liabilities	5,039,561	-	40,718,790	45,758,351

B) Secondary Segment :

Not Applicable to the Company

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

- 6 Additional Information
Expenditure in Foreign Currency
Travelling & Conveyance 3,06,486 (P.Y. 2,62,658/-)
- 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 31.03.2013.
- 10 a) Previous year figures have been regrouped/rearranged wherever considered necessary.
b) Figures for the previous year above are given in brackets.

Signature to Notes 1 to 24

For B. Chhawchharia & Co.
Chartered Accountants
Firm Registration No. 305123E

sd/-

(Managing Director)

sd/-
Aashish Jaiswal
Partner
Membership No. 66471
Place: Kolkata
Date : 30th May,2013

sd/-

(Director)

FORTUNE INVESTORS & TRADERS LIMITED
Cash Flow Statement for the year ended 31st March, 2013

	2012 - 2013	2011 - 2012
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary Item	5,798,382	3,703,028
	5,798,382	3,703,028
<u>Adjusted for :</u>		
Interest	(3,671,997)	(1,039,782)
Dividend	(18,100)	(18,100)
Depreciation	505,481	399,654
Demerger Expenses	(679,441)	17,603
Interest Paid	277,946	376,351
Profit on Sale of Investments	(976,022)	(236,000)
Share of Profit from Partnership Firm	(56,105)	(15,172)
Loss on Sale of Fixed Assets	-	6,018
Operating Profit before working capital changes	1,180,144	3,193,600
<u>Adjusted for :</u>		
Trade and other Receivables	29,936,149	(8,711,669)
(Increase)/Decrease in Inventories	2,716,780	937,500
Trade Payable and other liabilities	32,414,682	1,296,668
Cash Generated from operations	66,247,755	(3,283,901)
Direct Taxes Paid(Net)	(791,376)	(621,088)
Cash flow before extra-ordinary items	65,456,379	(3,904,989)
Extra ordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES "A"	65,456,379	(3,904,989)
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(51,250)	(1,061,801)
Sale of Fixed Assets	-	122,500
Profit on Sale of Investment	976,022	236,000
Interest	3,671,997	1,039,782
Dividend	18,100	18,100
Loan	-	9,577,515
Decrease /(Increase) in Investment	(68,191,345)	(3,298,593)
Share of Profit from Partnership Firm	56,105	15,172
NET CASH FROM INVESTING ACTIVITIES "B"	(63,520,371)	6,648,675
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Paid	(277,946)	(376,351)
Increase/(Decrease) in Borrowings	(539,165)	(3,321,537)
NET CASH USED IN FINANCING ACTIVITIES "C"	(817,111)	(3,697,888)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	1,118,897	(954,202)
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	(822,177)	132,025
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	296,720	(822,177)

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.
Chartered Accountants
Firm Registration No. 305123E

sd/-

(Managing Director)

sd/-
Aashish Jaiswal
Partner
Membership No. 66471
Place: Kolkata
Date: 30th May,2013

sd/-

(Director)