



**Annual Report  
&  
Accounts  
2013 - 14**

**FORTUNE INVESTORS & TRADERS LTD.**

**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 & TRADERS LIMITED ("The Company"), which comprise the Balance Sheet as at March 31, 2014, 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, 2014,
- (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



*Aashish Jaiswal*

Aashish Jaiswal  
Partner

Membership No. 66471

Place : Kolkata  
Date : 14th May, 2014.

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 two Parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹150.00 lacs and the year end balance of such loan taken was ₹158.32 Lacs.
- 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



*Aashish Jaiswal*  
Aashish Jaiswal  
Partner  
Membership No. 66471

Place : Kolkata  
Date : 14th May, 2014.

**FORTUNE INVESTORS & TRADERS LIMITED**  
**BALANCE SHEET AS AT 31.03.2014**

Particulars	Note	As at 31.03.2014		As at 31.03.2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	24,00,000		24,00,000	
Reserves and Surplus	2	1080,48,772	1104,48,772	991,04,753	1015,04,753
<b>Non-Current Liabilities</b>					
Long-term Borrowings	3	-		2,32,752	
Other Long-term Liabilities	4	50,39,561	50,39,561	60,39,561	52,72,313
<b>Current Liabilities</b>					
Short-Term Borrowings	5	158,32,192		-	
Other Current Liabilities	6	89,37,717		352,82,158	
Short-Term Provisions	7	62,83,880	310,53,789	52,03,880	404,86,038
			<u>1465,42,122</u>		<u>1472,63,104</u>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	8	17,19,605		21,14,311	
Non-Current Investments	9	1019,82,807		1305,76,011	
Deferred Tax Assets	10	1,29,900		1,15,100	
Long-Term Loans and Advances	11	3,93,476	1042,25,788	3,45,783	1331,51,205
<b>Current Assets</b>					
Inventories	12	2,98,437		3,38,850	
Trade Receivables	13	1,77,501		1,35,659	
Cash and Cash Equivalents	14	4,00,829		2,96,720	
Short-Term Loans and Advances	15	410,76,545		126,11,423	
Other Current Assets	16	3,65,022	423,16,334	7,31,147	141,11,899
			<u>1465,42,122</u>		<u>1472,63,104</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. Chhawchharla & Co.  
 Chartered Accountants  
 Firm Registration No. 305123E

*Aashish Jaiswal*  
 Aashish Jaiswal  
 Partner  
 Membership No. 66471  
 Place: Kolkata  
 Date: 14th May, 2014.



*Pradeep Kumar*  
 (Managing Director)

*R. C. Chatterjee*  
 (Director)

**FORTUNE INVESTORS & TRADERS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2014**

Particulars	Note	2013-2014 ₹	2012-2013 ₹
<b>Income</b>			
Revenue from Operations	17	40,52,530	75,09,566
Other Income	18	168,82,217	94,16,816
		<u>209,34,747</u>	<u>169,26,382</u>
<b>Expense</b>			
Changes in Inventories	19	40,513	27,16,780
Employee Benefits Expense	20	29,20,481	29,08,731
Finance Cost	21	9,64,254	2,77,946
Depreciation		4,00,206	5,05,481
Other Expenses	22	52,80,412	47,19,062
		<u>96,05,866</u>	<u>111,28,000</u>
<b>Profit before tax</b>		113,28,881	57,98,382
Tax expense:			
Current Tax	23	23,99,862	13,51,000
Deferred Tax		14,800	28,300
<b>Profit for the year</b>		<u>89,44,019</u>	<u>44,75,682</u>
Earnings per equity share:			
Basic and Diluted		37.27	18.65

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

*Aashish Jaiswal*  
 Aashish Jaiswal  
 Partner  
 Membership No. 66471  
 Place: Kolkata  
 Date: 14th May, 2014.



*Chaitanya Jaiswal*  
 (Managing Director)

*Rajesh*  
 (Director)



NOTES TO THE ACCOUNTS

1 **SHARE CAPITAL**

Authorised:

250000 Equity Shares of ₹ 10/- each

AS AT 31.03.2014	AS AT 31.03.2013
₹	₹
25,00,000	25,00,000
24,00,000	24,00,000

Issued, Subscribed & Paid up:

240000 Equity shares of ₹ 10/- each fully paid up

a) Details of Shareholders holding more than 5% Shares.

Name of Shareholders	As on 31.03.2014		As on 31.03.2013	
	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.

2 **RESERVES & SURPLUS**

Capital Reserve

AS AT 31.03.2014	AS AT 31.03.2013
₹	₹

316,74,870

316,74,870

Surplus in the Statement of Profit and Loss :

Balance as per last Account

674,29,883

629,54,201

Profit for the year

89,44,019

44,75,882

Net Surplus in the Statement of Profit and Loss

763,73,902

674,29,883

1080,48,772

891,04,753

3 **LONG-TERM BORROWINGS**

Secured

Vehicle Loan - From Bank

2,32,752

4,86,256

Hypothecated against the Vehicle financed by them

Terms of Repayment - Under 36 EMI Scheme

Less : Current Maturity (Refer Note 8)

2,32,752

2,53,504

-

2,32,752

4 **OTHER LONG TERM LIABILITIES**

Security Deposits :

From Tenants

45,39,561 ✓

45,39,561

From Others

5,00,000 ✓

5,00,000

50,39,561 ✓

50,39,561

5 **SHORT-TERM BORROWINGS**

Unsecured Loans

Repayable on Demand :

- From Related Parties

158,32,192 ✓

-

6 **OTHER CURRENT LIABILITIES**

Current Maturity of Long Term Borrowing (Refer Note 3)

2,32,752 ✓

2,53,504

Advance against Sale of Shares

81,00,000 ✓

325,50,000

Outstanding Liabilities

1,85,680 ✓

22,57,039

Other Current Liabilities

2,82,537 ✓

1,54,509

TDS Payable

1,35,748 ✓

67,106

89,37,717

352,82,158

7 **SHORT-TERM PROVISIONS**

For Taxation

62,83,880 ✓

52,03,880



NOTES TO THE ACCOUNTS (CONTD.)

8 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Additions / (Deduction)	As at 31.03.2014	Upto 31.03.2013	For the Year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹
<u>Tangible Assets</u>								
Furniture & Fixtures	10,02,819 /	-	10,02,819	7,67,630	42,569	8,10,199	1,92,620	2,35,189
Vehicles	17,18,105 /	-	17,18,105	9,82,672	1,90,404	11,73,076	5,45,029	7,35,433
Office Equipments	31,91,077 /	-	31,91,077	20,75,601	1,55,163	22,30,764	9,60,313	11,15,476
Computers	11,51,660	5,500	11,57,160	11,23,447	12,070	11,35,517	21,643	28,213
<b>Grand Total</b>	<b>70,63,661</b>	<b>5,500</b>	<b>70,69,161</b>	<b>49,49,350</b>	<b>4,00,206</b>	<b>53,49,556</b>	<b>17,19,605</b>	<b>-</b>
Previous Year Figures	70,12,411	51,250	70,63,661	44,43,869	5,05,481	49,49,350	-	21,14,311



NOTES TO THE ACCOUNTS (CONTD.)

9 **NON-CURRENT INVESTMENTS**

Particulars	Face Value	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
	₹		₹		₹
<u>Others</u>					
<u>In Immovable Property</u>					
44, Park Street, Kolkata			318,44,648		318,44,648
<u>In fully paid up Equity shares of Companies</u>					
<u>Quoted</u>					
DSQ Software Limited	10/-	1000	8,100 ✓	1000	8,100
Himachal Fularistic Comm Limited	1/-	14250	2,01,125 ✓	14250	2,01,125
Origin Agro Star Limited	10/-	8000	30,400 ✓	8000	30,400
Wipro Limited (Includes 2700 Bonus Shares)	2/-	3000	2,05,500 ✓	3000	2,05,500
<u>In fully paid up Equity shares of Associates</u>					
<u>Un-Quoted</u>					
Atul Mercantile Private Limited	10/-	1861850	172,78,408 ✓	2172825	203,88,158
			177,23,533		208,33,283
<u>In Capital of a Partnership Firm</u>					
R. K. Almal & Co			524,14,626 ✓		778,98,080
			<u>1019,82,807</u>		<u>1305,76,011</u>
Aggregate amount of Quoted Investments			4,45,125		4,45,125
Aggregate amount of Un-quoted Investments			1015,37,682		1301,30,886
Market Value of Quoted Investments			19,16,860		14,65,248

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

Name of Partners	Share	+ Capital (₹)
a Uma Almal	9.00%	5,54,684
b Rahul Almal	9.00%	36,15,670
c Atul Almal	9.00%	22,00,176
d Techprop Developers Private Limited	14.00%	(137,43,015)
e Standard Packaging Private Limited	9.00%	(15,84,433)
f Motive Tradelink Private Limited	9.00%	(135,56,341)
g Rosewood Infra Projects Private Limited	9.00%	165,86,214
h Fortune Investors & Traders Limited	18.00%	524,14,625
i RKA Realtors Private Limited	14.00%	17,57,925
	100.00%	

+ On the basis of Audited Balance Sheet as at 31.03.2014

	AS AT 31.03.2014	AS AT 31.03.2013
	₹	₹
<b>10 DEFERRED TAX ASSETS</b>		
Deferred Tax Assets on Fiscal allowance of fixed assets	1,29,900	1,15,100
<b>11 LONG TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Deposits		
- To Others	3,93,476	3,45,783
<b>12 INVENTORIES</b>		
Shares & Securities (Particulars as given below)	2,96,437	3,36,950



**FORTUNE INVESTORS & TRADERS LIMITED**

**Details of Shares and Securities**

	Face Value	As at 31.03.2014		As at 31.03.2013	
		Quantity	Value	Quantity	Value
<b>In fully paid up equity shares</b>	₹		₹		₹
<b>A) QUOTED</b>					
Chitrakoot Properties Limited	10	18000	90,000	18000	90,000
G.S. Industries Limited	10	80	800	80	800
Hindustan Development Corporation Limited	10	4	12	4	12
Kesoram Textile Mills Limited	10	33	-	33	-
J.J.Finance Corporation Limited	10	50	10	50	10
United Credit Limited	10	80	480	80	480
Sun Source (I) Limited	10	200	85	200	85
Tata Advance Metc Limited	10	35	546	35	546
*Stiefel Undsch (I) Limited	10	300	255	300	255
P.G.Foils Limited	10	1800	11,880	1800	11,880
Bengal Tea & Fabric Limited	10	409	2,699	409	2,699
Kanco Enterprises Limited	10	531	-	531	-
		<b>21522</b>	<b>1,06,767</b>	<b>21522</b>	<b>1,06,767</b>
<b>B) UNQUOTED</b>					
<b>I) In Shares of Others</b>					
Akshay Developers Private Limited	10	40	402	40	402
Evergreen Builders & Traders Private Limited	10	100	1,008	100	1,008
H4U Exports Private Limited	10	100	1,008	100	1,008
Bright Hardware Inds. Private Limited	100	10	302	10	302
P H Holdings Private Limited	10	100	1,013	100	1,013
Techbuild Developers Private Limited	10	100	1,013	100	1,013
Techprop Builders Private Limited	10	100	1,008	100	1,008
Standard Packaging Private Limited	10	100	5,025	100	5,025
Okay Steel Private Limited	10	2060	1,22,116	2060	1,22,116
ARR Realtors Private Limited	10	-	-	10	105
Saket Maintenance Private Limited	10	5242	52,483	9277	92,891
Asian Refractories Limited	10	200	1,012	200	1,012
		<b>8152</b>	<b>1,86,390</b>	<b>12197</b>	<b>2,26,903</b>
		<b>29674</b>	<b>2,93,157</b>	<b>33719</b>	<b>3,33,670</b>
<b>II) In Debentures</b>					
Reliance Ind. Limited (13.5%)		10	800	10	800
Hindustan Dev. Corp. Limited (12.5%)		41	1,640	41	1,640
Hindustan Dev. Corp. Limited (13.5%)		21	840	21	840
		<b>72</b>	<b>3,280</b>	<b>72</b>	<b>3,280</b>
		<b>29746</b>	<b>2,96,437</b>	<b>33791</b>	<b>3,36,950</b>

\* Pending Registration in the name of Company



NOTES TO THE ACCOUNTS (CONTD.)

	AS AT 31.03.2014	AS AT 31.03.2013
	₹	₹
<b>13 TRADE RECEIVABLES</b>		
(Considered good)		
<u>Secured</u>		
Due for more than six months	50,010	50,010
Other Debts	80,075	78,583
<u>Unsecured</u>		
Due for less than six months	47,416	7,066
	<u>1,77,501</u>	<u>1,35,659</u>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash-in-hand	2,18,792	90,168
Balances with Scheduled Banks in Current Account	1,82,037	2,06,552
	<u>4,00,829</u>	<u>2,96,720</u>
<b>15 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Other Advances		
- To Related Parties (+)	2,36,891	12,68,907
- To Others	14,97,775	10,10,223
Advance against Purchase of Property		
- To Related Parties (+)	303,00,000	40,00,000
Balance with Government Authorities	21,16,991	38,903
Taxation Advance & Refundable	69,24,888	62,93,390
	<u>410,78,545</u>	<u>126,11,423</u>
(+) Due from:		
- Private Companies in which directors are interested	305,36,891	52,68,907
<b>16 OTHER CURRENT ASSETS</b>		
(To the extent not written off or adjusted)		
Demerger Expenses	3,85,022	7,31,147
	<u>3,85,022</u>	<u>7,31,147</u>
	<b>2013-2014</b>	<b>2012-2013</b>
	₹	₹
<b>17 REVENUE FROM OPERATIONS</b>		
Sales - Shares	41,850	37,70,000
Rent	40,10,680	37,39,566
	<u>40,52,530</u>	<u>75,09,566</u>
<b>18 OTHER INCOME</b>		
Interest on Loan		
- On Loan	-	35
- On Partner's Capital	61,50,217	36,63,430
- On Security Deposit	10,193	8,532
- On Income Tax Refund	29,622	-
Amenities Charges	50,44,018	46,92,157
Dividend	28,468	18,100
Share of Profit from Partnership firm		
- RK Aral & Co.	(84,871)	56,105
Liabilities written back	3,84,353	2,430
Profit on Sale of Investment - Net	46,64,625	9,76,022
Items Related to Previous Year	6,55,324	-
Miscellaneous Income	68	6
	<u>168,82,217</u>	<u>94,16,816</u>
<b>19 CHANGES IN INVENTORIES</b>		
Opening Stock :		
- Shares	3,33,870	30,50,450
- Debentures	3,280	3,280
	<u>3,36,950</u>	<u>30,53,730</u>
Less : Closing Stock :		
- Shares	2,93,157	3,33,870
- Debentures	3,280	3,280
	<u>2,96,437</u>	<u>3,36,950</u>
	<u>40,513</u>	<u>27,16,780</u>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Director's Remuneration	17,40,000	17,40,000
Salary, bonus and allowances	7,98,034	9,84,009
Staff welfare expenses	3,82,447	2,04,722
	<u>29,20,481</u>	<u>29,08,731</u>
<b>21 FINANCE COST</b>		
Interest :		
On Car Loans	39,696	65,069
On Others	9,24,658	2,12,877
	<u>9,64,254</u>	<u>2,77,946</u>



NOTES TO THE ACCOUNTS (CONTD.)

**22 OTHER EXPENSES**

	2013-2014 ₹	2012-2013 ₹
Rent	21,432 ✓	25,507
Rates and Taxes	8,75,772 ✓	7,300
Insurance	1,84,751 ✓	2,21,872
Travelling and Conveyance	7,40,030 ✓	5,36,029
Electricity Charges	5,06,627 ✓	4,91,864
Professional Charges	9,61,236	3,53,550
Telephone, Telex & Fax	1,05,188 ✓	1,12,746
Motor Car Expenses	2,18,608	1,80,128
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	48,618 *	14,000
Miscellaneous expenses	4,60,490	9,21,106
Business Promotion Expense	2,97,410	3,30,331
Repairs & Maintenance	4,39,625 ✓	4,08,981
Demerger Expenses written off	3,66,125 ✓	10,63,166
	<u>52,80,412</u>	<u>47,19,062</u>

**23 TAX EXPENSES**

<u>Current Tax</u>		
Income Tax	24,00,000	13,51,000
Income Tax Adjustment	(338)	-
	<u>23,99,662</u>	<u>13,51,000</u>
Deferred Tax	14,800	(28,300)
	<u>24,14,462</u>	<u>13,22,700</u>



**24. NOTES ON ACCOUNTS**

**1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS**

**a) BASIS OF ACCOUNTING:**

The Financial Statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the normal operating cycle of the company as set out in the Schedule VI to the Companies Act, 1956.

**b) REVENUE RECOGNITION**

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

**c) FIXED ASSETS AND DEPRECIATION:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable cost of bringing the assets to working condition for intended use.

Depreciation is provided on Written Down Method at the rates specified in Schedule - XIV to the Companies Act, 1956 or based on the useful life of the assets as estimated by the Management, whichever is higher.

**d) INVESTMENTS**

i) Non Current Investments are carried at acquisition cost and investments intended to be held for less than one year are classified as current investments and are carried at lower of cost and market value. Non Current 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.

**e) 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.

**f) RETIREMENT BENEFITS**

Gratuity is accounted for on cash basis.

**g) LEAVE SALARY**

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

**h) DEMERGER EXPENSE**

Demerger Expense is written off over a period of five years.

**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 recognised 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 ₹ 0.56 Lacs (P.Y. ₹ 1.02 Lacs).

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 Basic earnings per share ("EPS") is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. 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 equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4 Related parties and transactions with them as specified in Accounting Standard 18 on "Related Parties Disclosure" prescribed under Companies (Accounting Standards) Rules, 2006 has been identified and given below on the basis of the information available with the company.

1. Enterprises where control exists	N.A.
2. Associates & Joint Ventures	Atul Mercantile Private Limited
3. Individuals owning an interest in the voting power of the company and their relatives	Nil
4. Key Management Personnel & their relatives	Uma Aimal (Director) Rahul Aimal (Director) Atul Aimal (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 Private Limited, RKA Realtors Private Limited, Techprop Developers Private Limited, R.K. Aimal & 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 Aimal.

Nature of Transaction	Holding Company		Enterprise over which Key Management Personnel & their relatives are able to exercise significant influence		Key Management Personnel & their relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	₹	₹	₹	₹	₹	₹
<b>Income</b>						
Interest	-	-	61,50,217	36,63,485	-	-
Share of profit from Partnership Firm	-	-	(84,671)	58,106	-	-
Sale of Shares	-	-	40,350	24,70,000	-	13,00,000
<b>Expenses</b>						
Interest	-	-	-	-	9,24,658	-
Remuneration	-	-	-	-	17,40,000	17,40,000
Medical Expenses	-	-	-	-	3,48,942	1,14,633
Consultancy Service Charges	-	-	48,000	-	-	-
<b>Balance at the Year end</b>						
Amount Payable						
- Loan	-	-	-	-	158,32,192	-
Amount Receivable						
- Against Demerger	-	-	14,300	11,38,394	-	-
- Others	-	-	2,22,591	1,30,513	-	-
- Advance against Purchase of Property	-	-	303,00,000	40,00,000	-	-

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 Revenue	90,54,698	41,650	118,38,199	209,34,747
Result				
Profit Before Interest, Tax and Depreciation	73,25,920	1,337	53,88,084	128,93,341
Less:- Depreciation	-	-	4,00,208	4,00,208
Less:- Interest Expenses	-	-	9,64,254	9,64,254
Less:- Provision for Taxation	-	-	-	-
Current Tax	-	-	23,99,662	23,99,662
Income Tax Adjustment	-	-	-	-
Deferred Tax	-	-	(14,800)	(14,800)
Security Transaction Tax	-	-	-	-
Tax Adjustment	-	-	-	-
Net Profit	-	-	89,44,019	89,44,019
Segment Assets	323,06,876	704,34,698	436,70,751	1464,12,222
Segment Liabilities	60,38,561	-	310,53,789	360,93,350

B) Secondary Segment:

Not Applicable to the Company





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

- 6 Additional Information  
Expenditure in Foreign Currency  
Travelling & Conveyance ₹ 3,53,106/- (P.Y. 3,08,486/-)
- 7 Unabsorbed MAT for which future credit may be available amounts to ₹ 166589/- (P.Y. ₹ Nil/-)
- 8 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.
- 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's perception, there is no impairment of such assets as appearing in the balance sheet as on 31.03.2014.
- 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

*Aashish Jainwal*

Aashish Jainwal  
Partner  
Membership No. 68471  
Place: Kolkata  
Date: 14th May, 2014.



*Ujjwal Kumar*  
\_\_\_\_\_  
(Managing Director)

*R. H. ...*  
\_\_\_\_\_  
(Director)

**FORTUNE INVESTORS & TRADERS LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2014**

	2013-2014	2012-2013
	₹	₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax & Extraordinary Item	113,28,881	57,98,382
	<u>113,28,881</u>	<u>57,98,382</u>
<b>Adjusted for :</b>		
Interest Received	(61,90,032)	(36,71,997)
Dividend	(28,468)	(18,100)
Depreciation	4,00,208	5,05,481
Demerger Expenses	3,88,125	(6,79,441)
Liability Written Back	(3,84,353)	-
Interest Paid	9,64,254	2,77,946
Profit on Sale of Investments	(46,64,625)	(9,76,022)
Share of Profit from Partnership Firm	84,671	(56,105)
Operating Profit before working capital changes	<u>18,76,669</u>	<u>11,80,145</u>
<b>Adjusted for :</b>		
Trade and other Receivables	(279,23,159)	299,36,149
(Increase)/Decrease in Inventories	40,513	27,16,780
Trade Payable and other liabilities	(259,60,088)	324,14,682
Cash Generated from operations	<u>(519,66,075)</u>	<u>662,47,756</u>
Direct Taxes Paid(Net)	(19,21,538)	(7,91,376)
Cash flow before extra-ordinary items	<u>(538,87,613)</u>	<u>654,56,380</u>
Extra ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES "A"</b>	<u>(538,87,613)</u>	<u>654,56,380</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(5,500)	(51,250)
Profit on Sale of Investment	46,64,625	9,76,022
Interest	61,60,410	36,71,997
Dividend	28,468	18,100
Decrease /(Increase) in Investment	285,93,204	(681,91,345)
Share of Profit from Partnership Firm	(84,671)	56,105
<b>NET CASH FROM INVESTING ACTIVITIES "B"</b>	<u>393,56,536</u>	<u>(635,20,372)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(9,64,254)	(2,77,946)
Increase/(Decrease) in Borrowings	155,98,440	(5,39,165)
<b>NET CASH USED IN FINANCING ACTIVITIES "C"</b>	<u>146,35,186</u>	<u>(8,17,114)</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>1,04,109</b>	<b>11,18,897</b>
<b>CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>2,96,720</b>	<b>(8,22,177)</b>
<b>CASH &amp; CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>4,00,829</b>	<b>2,96,720</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.  
Chartered Accountants  
Firm Registration No. 305123E

*Aashish Jainwal*

Aashish Jainwal  
Partner  
Membership No. 66471  
Place: Kolkata  
Date: 14th May, 2014.



*Udit Jena*  
(Managing Director)

*Rajendra*  
(Director)