

FORTUNE INDUSTRIAL RESOURCES LIMITED

**ANNUAL REPORT
2013-14**

BOARD OF DIRECTORS	Prince Goyal, Managing Director Sanjeev Agrawal, Director Rashmi Kant Mittal, Director Divya Sharma, Director Mukul Chowdhary, Director
AUDITORS	M/s Kamal & Company Chartered Accountants 1372, Kashmere Gate, Delhi-110006
CIN	L51503DL1986PLC024329
BOOK CLOSURE DATE	September 23, 2014 to September 30, 2014 (both days inclusive)
E-VOTING WINDOW DATE	September 23, 2014, 09.00 a.m. to September 25, 2014, 06.00 p.m.
REGISTERED OFFICE	153/1, Nirankari Colony, New Delhi-110009
E-MAIL	bajaj_kk@yahoo.co.in
LISTING	Delhi Stock Exchange Limited DSE House, 3/1, Asaf Ali Road, New Delhi-110002
ISIN NUMBER	INE510L01017
SCRIP CODE	DSE-6022
REGISTRAR & SHARE TRANSFER AGENT	Mas Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

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NOTICE TO MEMBERS

Notice is hereby given that an Annual General Meeting of the Members of Fortune Industrial Resources Limited ("**the Company**") will be held on Tuesday, September 30, 2014 at 10:00 a.m. at registered office of the Company at 153/1, Nirankari Colony, New Delhi-110009, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Sanjeev Agrawal (DIN: 00282059), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and, in this connection, to consider and if deemed fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules frame thereunder, as amended from time to time, M/s. Kamal & Co., Chartered Accountants (FRN 001033N), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. Appointment of Mr. Prince Goyal as Managing Director of the Company

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

"**RESOLVED THAT** pursuant to Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") (including any statutory modification or re-enactment thereof for the time being in force), Mr. Prince Goyal, (DIN: 00954215), Director of the Company be and is hereby appointed as Managing Director and designated as Key Managerial Personnel (KMP) of the Company whose office is not liable to retire by rotation as per the applicable provisions of Companies Act' 2013 for a term of five years with effect from August 14, 2014 to August 13, 2019 on the terms and conditions as mentioned in his letter of appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign, execute and file and/ or modify all such forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorized representatives to give effect to this Resolution.”

5. Appointment of Mr. Mukul Chowdhary as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mukul Chowdhary (DIN: 06561665), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office is not liable to retire by rotation for a term of five years with effect from September 30, 2014 to September 29, 2019.”

6. Appointment of Ms. Divya Sharma as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Divya Sharma (DIN: 06384485), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose office is not liable to retire by rotation for a term of five years with effect from September 30, 2014 to September 29, 2019.”

By Order of the Board of Directors
For Fortune Industrial Resources Limited

For Fortune Industrial Resources Ltd.

Prince Goyal
Director
DIN: 00954215
R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

For Fortune Industrial Resources Ltd.

Rashmi Kant Mittal
Director
DIN: 01812102
C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

Place: New Delhi
Date: August 14, 2014

NOTES:

1. **A Member Entitled To Attend And Vote At The Annual General Meeting (The "Meeting") Is Entitled To Appoint A Proxy To Attend And Vote On A Poll Instead Of Himself And The Proxy Need Not Be A Member Of The Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from September 23, 2014 to September 30, 2014 (both days inclusive).
8. The Annual Report for the year ended March 31, 2014 containing inter-alia, the Directors' Report, Auditors' Report and the audited financial statements are enclosed.
9. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at Least Seven Days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
10. **Address Change intimation:** Members holding shares in physical form are requested to intimate change in their address, if any, immediately to the Company's Registrar and Share Transfer Agent i.e. M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020. E-mail: info@masserv.com, website:

www.masserv.com is the Registrar and Share Transfer Agent (RTA). MAS Services Limited is also the depository interface of the Company with both NSDL and CDSL.

So, Members holding shares in electronic form must intimate the change in their address, if any, to MAS Services Limited only.

11. In all correspondence with the Company, members are requested to quote their account/folio numbers.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
13. The Electronic copy of the Annual Report for the financial year ending 31st March, 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s).
14. We propose to send all future communication in electronic mode to the email address provided by you. So, all the shareholders whose email -id is not registered with us are requested to please register your email address with DP / Registrar / Company, so that your company can contribute to the safety of environment.
15. For members who have not registered their email address, physical copies of the Annual report for the year ending 31st March, 2014 is being sent in the permitted mode.
16. Voting through Electronic means

In compliance with the provisions of section 108 of the Act, read with Rule 20 of the companies (Management and Administration) Rules, 2014, the company is pleased to inform you a facility to exercise your voting right at the Annual general Meeting by electronic means (e-voting) and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The procedure and instructions for members for e-voting are disclosed in the Attendance Slip attached with this report.

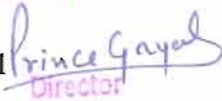
By Order of the Board of Directors
For Fortune Industrial Resources Limited

For Fortune Industrial Resources Limited

For Fortune Industrial Resources Ltd.

Place: New Delhi
Date: August 14, 2014


Rashmi Kant Mittal
Director
DIN: 01812102
C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.


Prince Goyal
Director
DIN: 00954215
R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

Explanatory Statement under Section 102 of the Companies Act, 2013 forming part of Notice of the Annual General Meeting of the Company

Item No. 4:

As per the provisions of the Section 196, 203 of the Companies Act, 2013, listed company is required to appoint a Managing Director on the Board of the Company.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Mr. Prince Goyal be appointed as Managing Director of the Company for a period of 5(five) years.

The Board of Directors accordingly, recommends the Ordinary Resolution(s) as set out in Items No. 4 of the accompanying notice for approval of members.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the proposed Resolution except the appointed director.

Item No. 5 & 6:

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. April 1, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of the Company and is not liable to retire by rotation.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Mr. Mukul Chowdhary & Ms. Divya Sharma be appointed as Independent Directors of the Company for a period of 5(five) years.

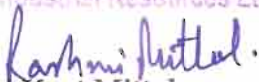
The aforesaid Directors have given declaration to the Board that they meet with the criteria of Independence as provided under Section 149(6) of the Act, and the matter regarding their appointment as Independent Directors was placed before the Nomination & Remuneration Committee, which recommends their appointment as Independent Directors for a term of five years.

The Board of Directors accordingly, recommends the Ordinary Resolution(s) as set out in Items No. 5 to 6 of the accompanying notice for approval of members.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the proposed Resolution except the appointed directors.

By Order of the Board of Directors
For Fortune Industrial Resources Limited

For Fortune Industrial Resources Ltd.



Rashmi Kant Mittal Director

Place: New Delhi

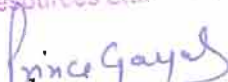
Date: August 14, 2014

Director

DIN: 01812102

C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

For Fortune Industrial Resources Ltd.



Prince Goyal Director

Director

DIN: 00954215

R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

This information forms part of the notice for the Annual General Meeting

Details of Directors seeking reappointment at the Annual General Meeting of the Company and this information forms part of the notice for the Annual General Meeting:

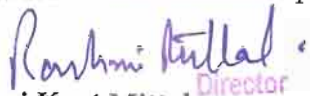
Name	Mr. Sanjeev Agrawal (DIN: 00282059)	Mr. Prince Goyal (DIN: 00954215)	Mr. Mukul Chowdhary (DIN: 06561665)	Ms. Divya Sharma (DIN: 06384485)
Date of Birth	05/12/1963	24/09/1984	16/07/1980	15/01/1986
Nationality	Indian	Indian	Indian	Indian
Occupation	Business	Business	Business	Business
Qualification	MBA	Graduate	Graduate	Graduate
Date of Appointment	15/02/2010	27/08/2007	10/06/2013	08/10/2012
Shares held in the Company	420500	Nil	Nil	Nil
Directorship in other Companies	<ol style="list-style-type: none"> 1. Superior Fabrics Private Limited 2. Hindustan Aqua Limited 3. Lumax Builders Private Limited 4. Shantnu Farms Private Limited 5. Indian Soft Drinks Manufacturers Association 6. Versatile Polytech Private Limited 7. Mouldcraft (India) Private Limited 8. GCB Overseas Private Limited 9. HAL Offshore Limited 10. Maya Promoters Private Limited 11. Shramika Buildcon Private Limited 12. Metbrass Plassim India Limited 13. PNR Systems Private Limited 14. Seamec Limited 	<ol style="list-style-type: none"> 1. Platinum Agencies Private Limited 2. Pigeon Exports International Private Limited 3. Saptrishi Finance Limited 4. Signature Holdings Private Limited 5. Stars Soft Drinks Private Limited 6. Indus Netlink Limited 7. HAL Offshore Limited 8. ESPL Realtors Private Limited 9. Shramika Buildcon Private Limited 10. Shantnu Farms Private Limited 11. Lumax Builders Private Limited 12. GCB Overseas Private Limited 13. Maksad Buildcon Private Limited 14. Shramika Buildcon Private Limited 	<ol style="list-style-type: none"> 1. Chemlinker Tradex Private Limited 	<ol style="list-style-type: none"> 1. Finlinkers Solutions Private Limited

The attendance records of the Directors seeking re-appointment and appointment as Independent directors are furnished in Corporate Governance report which forms part of the Annual Report 2013-14.

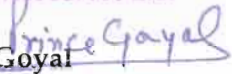
By Order of the Board of Directors

For Fortune Industrial Resources Ltd.

For Fortune Industrial Resources Limited


Director

For Fortune Industrial Resources Ltd.


Director

Place: New Delhi

Rashmi Kant Mittal

Prince Goyal

Date: August 14, 2014

Director

Director

DIN: 01812102

DIN: 00954215

C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting this Annual Report on the business and operation of the company together with Audited Statement of Accounts of the Company for the year ended March 31, 2014.

FINANCIAL RESULTS

Financial results of the Company for the year under review are summarized as below:

(In Rupees)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total Income	13,86,029	12,75,184
Less: Expenditure	13,10,517	6,95,222
Net Amount	75,512	5,79,962
Extraordinary Item:-	30,599	12,949
Profit Before Tax	44,913	5,92,911
Current Tax	23,333	1,80,000
Profit after Tax	21,580	4,12,911

PERFORMANCE REVIEW

During the year under review, the Company has earned a net profit after tax of Rs. 21,580 as compared to the net profit after tax of Rs. 4,12,911 in the previous year. Your directors are continuously looking for avenues for future growth of the Company in its business operations.

OPERATIONS

Your Company continues to take effective steps in broad-basing its range of activities.

FUTURE OUTLOOK

In the current year, your directors are putting up efforts to increase the earning speed and it is hope that the company will do better in current year as compared to last year.

With our industry leading organic growth programme and the successful integration of recent strategic investment in our company, our company is very well placed to capitalize on the positive outlook for commodities demand and to continue to deliver growth and long term value for our shareholders.

AMOUNT TRANSFERRED TO RESERVES

During the year under review, the company has transferred Rs. 35,72,447/- to the statutory reserve fund of the Company.

DIVIDEND

Keeping in view the future requirements of funds by the company for its proposed growth and expansion, the Board expresses its inability to recommend any dividend from the available profit during the year under review.

DIRECTORS

The Company had, pursuant to the Listing agreement entered into with the Stock Exchanges, appointed Mr. Mukul Chowdhary (DIN: 06561665) and Ms. Divya Sharma (DIN: 06384485) as Independent Directors of the Company. As per Section 149(4) of the Companies Act, 2013 which came into effect from April 1, 2014, every listed company is required to have atleast one-third of the total number of directors as Independent Directors. In accordance with the provisions, these directors are being appointed as Independent Directors to hold office as per their tenure of appointment as mentioned in the Notice of forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Sanjeev Agrawal retires by rotation in accordance with the provisions of Articles of Association of the Company and, being eligible, offer himself for re appointment. He has vast experience of Management and operations. With his rich business experience and extensive contacts in business circles, Mr. Sanjeev Agrawal has contributed immensely to the growth of the company. He has served our board with his valuable knowledge.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Mr. Prince Goyal be appointed as Managing Director of the Company for a period of 5(five) years.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on Delhi Stock Exchange (DSE). The annual listing fee to these Exchanges and custodial fees to NSDL & CDSL have been paid by the Company for the financial year 2014-15.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- b) that the directors have 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 the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the directors have prepared the annual accounts for the financial year ended March 31, 2014 on going concern basis.

CORPORATE GOVERNANCE

Your Company continues to be complied to uphold the standards of Corporate Governance and adherence to the requirements set out by Clause 49 of the Listing Agreement with the Stock Exchanges.

A detailed report on the Corporate Governance along with the Certificate confirming compliance of conditions of Corporate Governance as stipulated in clause 49 is set out in this Annual Report and forms part of the Annual Report.

AUDITORS

M/s. Kamal & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules there under, it is proposed to appoint M/s Kamal & Co., Chartered Accountants (FRN 001033N) as the Statutory Auditors of the Company from the conclusion of the forthcoming Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company.

AUDITORS' REPORT

The observations of the Auditors in their report read together with the Notes on Accounts are self explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

DEPOSITS

Your Company has not accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

As per NBFC Guidelines issued by the Reserve Bank of India, the Board of Directors has passed the required resolution confirming that the Company has neither accepted any public deposits and nor does it intend to do so in the year 2013-2014.

STATEMENT OF PARTICULARS OF EMPLOYEES

None of the employee drew remuneration of Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- per month during the financial year 2013-2014. This information is furnished with respect to Section 217(2A) of the Companies Act, 1956 and Amended Companies (Particulars of the Employees) Rules, 1975 forming part of the Directors' Report.

However, pursuant to Section 219(1) (b) (IV) of Companies Act, 1956 the reports and accounts are being sent to all the shareholders of the company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

HUMAN RESOURCES

The Company seeks to nurture a mutually beneficial relationship with its employees. This relationship is characterized by the investment which the Company makes in its employees by providing challenging roles and assignments opportunities for personal growth, relevant and timely performance support, training and an enabling environment. The Company seeks to create a workplace which combines achievement orientation with care for employees. The Company lists 'people' as one of its stated core values.

Your Company takes the pride in the Commitment, Competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the growing requirements of the business.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company

FOREIGN EXCHANGE EARNINGS / OUTGO

The foreign exchange earnings and outgo in the Company are as follows:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo : NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Director's Report.

MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of the Company between the end of the financial year of your Company and the date of the Directors' Report.

SECRETARIAL COMPLIANCE CERTIFICATE

According to the proviso to Sub-Section (1) of section 383A of the Companies Act, 1956, every company not required to employ a whole time secretary and having a paid up Capital of Rs. 10,00,000 or more but less than Rs.500,00,000 must attach to the board's report a Compliance Certificate from a Secretary in whole time practice as to whether the provision of the Act have been complied or not.

The Board of Directors has obtained a Secretarial Compliance Certificate from a practicing Company Secretary, which is attached herewith.

ADOPTION OF VIGIL MECHANISM

Pursuant to sub-section (9) of section 177 of Companies Act, 2013, every listed company shall establish a vigil mechanism for their directors and employees for reporting genuine concerns or grievances.

Board has adopted vigil mechanism in its meeting held on August 14, 2014 which shall be operated as a part of Audit Committee.

COMPANIES ACT, 2013

The Companies Act, 2013 has become effective from April 1, 2014 and the rules relating to the Act were made effective subsequently. The Ministry of Corporate Affairs, vide circular no. 1/19/2013-CL-V dated April 4, 2014, notified that matters pertaining to maintenance of books of accounts and preparations/adoption/filing of financial statements, auditor's report, Board's report and attachments to such statements and reports in respect of financial years that commenced earlier than April 1, 2014 shall be governed by the relevant provisions/ schedules/ rules of the Companies Act, 1956. Thus, the Board's report and the financial statements of the Company were prepared as per the Companies Act, 1956.

ACKNOWLEDGEMENT

The Board acknowledges with gratitude the co-operation and assistance provided by the company's bankers, financiers, government and non-government agencies. The relationship with the employees remained cordial and your director's wish to place on record their appreciation of

the contribution made by the employees at all levels. The directors also wish to thank the shareholders for their continued support and faith reposed in the Company.

For Fortune Industrial Resources Ltd.

Rashmi Mittal

Director

Rashmi Kant Mittal

Director

DIN: 01812102

C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

By Order of the Board of Directors
For Fortune Industrial Resources Limited

For Fortune Industrial Resources Ltd.

Prince Goyal

Director

DIN: 00954215

R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

Place: New Delhi

Date: August 14, 2014

ANNEXURE TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The finance sector continues to be characterized by high volatility. The recent governmental policies have strived to lend stability and provided the much needed fillip to the industry. The banking as well as the non-banking entities showed remarkable progress during the year under report.

Outlook, Risk and Concern

Management of risks to the business is a continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risks are well understood and the means to handle them are also fairly established.

To counter all these risks, your company conducting its risk identification, assessment and management activities through a dedicated risks and audit department. This Department has been set up by your company expressly to anticipate the impact of potential and economical risk factors to the business and provide guidance on how to handle them so as to minimize their business impact.

Adequate management control is in place to ensure quick action on early warnings, and to proactively monitor and mitigate all potential risks. A comprehensive risk Management strategy developed by the risk and Audit Department forms the framework for all de-risking and risk mitigation activities undertaken by your company with the fullest involvement of top management professionals.

Opportunities and Threats

As observed during last few years, the traditionally debt-averse Indian Consumer has been gradually becoming more and more credit happy and has aspiration to enhance the quality of his life. Considering this, there are tremendous potential in retail financing in the years to come. Positive attitude of the Indian consumers will result in the growth of the business of the Company in future.

However tough competition, strict regulations by regulatory authorities, non recovery of dues due to lack of favourable recovery mechanism and uncertain market conditions continues to be threats for the business of the Company.

Adequacy of Internal Control System

The Company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. The Company regularly monitors that all regulatory guidelines are complied with at all levels.

The Audit Committee constituted by the Board reviews the adequacy of internal control system.

Segment Wise Performance

The Company operates only in one segment.

Discussion of Financial Performance

The financial statements are prepared in compliance with the requirements of the Companies Act and the Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India.

Cautionary Forward Looking Statements

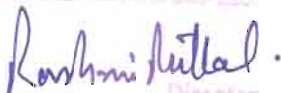
The company has made forward- looking statements in this document that are subject to risks and uncertainties. Forward- looking statements may be identified by their use of words like 'expects', 'believes', 'estimates' or similar expressions. All statements that address expectations or projections about the future, including, but not limited to, statements about Company's strategy for growth, product development, market position, market expenditures, and financial results are forward looking statements.

For those statements the Company cautions that numerous important factors could affect the Company's actual results and could cause its results to differ materially from those expressed in any such forward looking statements.

Human Resources

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. Internal transfer, job rotation and training have been inculcated at different levels of the organization hierarchy to evolve team leaders and managers. The Company has in place the employee stock option scheme for seniors and middle level management. The above-mentioned measures will ensure motivated workforce, promote the ownership and sharing economic growth of the Company.

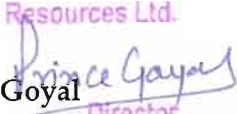
For Fortune Industrial Resources Ltd.


Rashmi Kant Mittal
Director

Place: New Delhi
Date: August 14, 2014

Rashmi Kant Mittal
Director
DIN: 01812102
C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

By Order of the Board of Directors
For Fortune Industrial Resources Limited
For Fortune Industrial Resources Ltd.


Prince Goyal
Director
DIN: 00954215
R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

ANNEXURE TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of the affair of the Company to achieve its goal of maximizing value for all its stakeholders. The Company believes that sound Corporate Governance is critical to enhance and retain investor trust.

The Company always strives to ensure compliance with regulatory requirements both in letter and spirit besides being responsive to the aspirations of our stakeholders. The Company recognizes that Governance is a conscious and continuous process across the Organization, which enables the Company to adopt best practices to retain and enhance the trust of all our stakeholders.

A transparent, ethical and robust governance framework helps enhance efficiency, which is an important catalyst in driving business growth across parameters and boosts investors' confidence in the Business entity.

The Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value of all stakeholders.

A report on the implementation of the Code of Corporate Governance as per Clause 49 of the Listing Agreement is given below:

II. BOARD OF DIRECTORS

A. BOARD'S COMPOSITION AND CATEGORY

As on March 31, 2014, the Board of the Company consists of three (3) directors, and two of them are Non-Executive directors.

Provided, the Chairman of the Board is a non-executive director so at least one-third of the Board should comprise of independent directors. So the Composition of Board of Directors of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement as the Company comprises of 1/3rd of independent directors.

The details relating to Composition & Category of Directors, Directorships held by them in other Companies and their membership and chairmanship on various Committees of Board of other Companies, as on March 31, 2014 is as follows:

Name of the Director	Category	No. of Directorships / Chairmanships held in other Companies\$		No. of Memberships / Chairmanships in various other Board Committees of other Companies^^	
		Directorship	Chairmanship	Membership	Chairmanship
Mr. Sanjeev Agrawal	Executive & Promoter Director	18	Nil	8	3
Mr. Rashmi Kant Mittal	Non Executive & Independent Director	15	Nil	Nil	Nil
Mr. Prince Goyal	Non Executive & Independent Director	19	Nil	Nil	Nil

\$Foreign Companies, Alternate Directorships and Companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

^^The Committee considered for the above purpose are those prescribed in the Listing Agreement i.e. Audit Committee and Shareholders' / Investors' Grievance Committee.

B. BOARD MEETINGS AND ATTENDANCE

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussion at the meeting. In case of exigencies or urgencies, resolutions are passed by Circulation as well.

During the financial year 2013-14, Six (6) Board Meetings was held: April 15, 2013; May 29, 2013, August 13, 2013, September 5, 2013, November 12, 2013 and February 10, 2014. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The last Annual General Meeting was held on September 28, 2013.

Details of attendance of Directors at Board Meetings and Annual General Meeting held during the financial year 2013-14 are as under:

Name of Director	No. of Board Meetings Attended	Whether Attended last AGM
Mr. Rashmi Kant Mittal	6	Yes
Mr. Sanjeev Agrawal	6	Yes
Mr. Prince Goyal	6	Yes

C. SHAREHOLDING OF NON EXECUTIVE DIRECTORS

Name of Director	Number of Shares
Mr. Prince Goyal	300
Mr. Rashmi Kant Mittal	15,200

D. NON EXECUTIVE DIRECTORS' COMPENSATION

No fees or compensation is paid to any non- executive directors during the financial year ended on March 31, 2014.

III. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The Committee has the powers similar to those stated in the listing Agreement and the term of reference and role of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with the Stock Exchanges read with 292 A of the Companies Act, 1956 and includes such other functions as may be assigned to it by board from time to time.

i) **Composition of Audit Committee:** Composition details of Audit Committee are as follows:

Name of Members	Category	Designation
Mr. Rashmi Kant Mittal	Non-Executive & Independent Director	Chairman
Mr. Sanjeev Agrawal	Executive & Promoter Director	Member
Mr. Prince Goyal	Non-Executive & Independent Director	Member

ii) **No. of meeting and attendance at meetings**

During the year 2013-14, four meetings of Audit Committee were held on 29th May 2013, 13th August 2013, 12th November 2013, and 10th February 2014.

The Attendance of the Committee members at the above meeting is as follows:

Members	Committee Meetings	
	Held	Attended
Mr. Rashmi Kant Mittal	4	4
Mr. Sanjeev Agrawal	4	4
Mr. Prince Goyal	4	4

Statutory Auditors are permanent invitees to the Audit Committee.

iii) **Powers and role of audit committee and review of information by it**

The powers and terms of reference of the Audit Committee are as mentioned in the Clause 49 II(C),(D)&(E) of the Listing Agreement and section 292A of the Companies Act, 1956 including overseeing financial reporting processes, fixation of Audit fees, reviewing with the management, the financial statements, accounting policies and practices, adequacy of internal audit functions and discussion with internal auditors on any significant findings, financial and risk management policies.

B. SHAREHOLDERS' GRIEVANCE/SHARE TRANSFERS COMMITTEE

Investor Grievance Committee is responsible for the smooth functioning of the share transfer process as well as redresses of shareholder grievances expeditiously and satisfactorily.

To handle the Investor Grievances in coordination with the compliance officer, the Company has appointed **M/s MAS Services Limited** as the Registrar to the issue and as a Share Transfer Agent. All grievances relating to the present issue may be addressed to the registrar with a copy to the compliance officers.

i) Composition of the Committee: Composition details of Shareholders Grievance Committee are as follows:

Name of Members	Category	Designation
Mr. Rashmi Kant Mittal	Non-Executive & Independent Director	Chairman
Mr. Sanjeev Agrawal	Executive & Promoter Director	Member
Mr. Prince Goyal	Non-Executive & Independent Director	Member

ii) No. of meeting and attendance at meetings

During the year 2013-14, no committee meeting was held.

There was no complaint received / pending as on 31.03.2014

IV. GENERAL BODY MEETINGS

(A) The last three Annual General Meetings were held as under:

Financial Year	Location	Date	Time
2012-13	153/1,Nirankari Colony, Delhi-110009	28.09.2013	10.00 A.M.
2011-12	153/1,Nirankari Colony, Delhi-110009	29.09.2012	10.00 A.M.
2010-11	153/1,Nirankari Colony, Delhi-110009	30.09.2011	10.00 A.M.

No Special resolution was put through Postal Ballot during last year. No special resolution is passed in the previous three Annual General Meetings.

(B) During the period, no Extra-Ordinary General Meetings of the Company was held.

V. DISCLOSURE ON RELATIONSHIP AMONG DIRECTORS

None of Directors are interested or related with each other.

VI. CEO/CFO CERTIFICATION

As required by the clause 49(V) of the Listing Agreement, Mr. Rashmi Kant Mittal, Director, certified the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial year ending on 31.03.2014 and is hereby enclosed.

VII. DISCLOSURES

i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Transactions with related parties are disclosed elsewhere in the Balance Sheet forming part of this Annual Report.

ii) Details of non-compliance by the Company

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchange as well as regulations and guidelines issued by SEBI. Hence, neither any penalty nor any stricture has been imposed by SEBI, Stock Exchange or any other Statutory Authority on any matter relating to capital markets during the last three years.

iii) As per Whistle Blower policy the Company affirms that no personnel has been denied access to the audit committee.

iv) Details of Compliance with mandatory requirements and adoption of the non mandatory requirements

The Company confirms that it has fully complied with all mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

The status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement are as detailed hereunder:

- a) **Board** - There is no fixed tenure for Independent Directors.
- b) **Remuneration Committee**- The Company was not required to set up any Remuneration Committee for the Financial Year ending on 31 March, 2014.
- c) **Shareholders' Rights**- The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication". The results are not separately circulated to the shareholders.
- d) **Audit qualifications**- There are no audit qualifications in the Company's financial statements for the year under reference.

e) **Disclosure of Accounting Treatment** - The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

f) **Whistle Blower Policy/ Vigil Mechanism:**

Pursuant to listing agreement, vigil mechanism should be established for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The company has adopted the Whistle Blower Policy as per listing agreement pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activities or event detrimental to the interest of the Company.

VIII. MEANS OF COMMUNICATION

The Company has promptly reported all material information and taken adequate measures to disseminate pertinent information to the shareholder's, employees and society at large.

❖ **Quarterly Financial Results:** Quarterly financial results; press releases etc. are circulated to the Delhi Stock Exchange Limited ("DSE"), where the equity shares of the Company are listed. The financial results-quarterly, half yearly and annual results and other statutory information are communicated to the shareholders by way of advertisement in an English newspaper and in a vernacular language newspaper viz. The Financial Express, BPN Times, The Pioneer, Haribhumi, Rashtriya Sahara, Naya India.

❖ **Investor Education:** Investors are being provided with timely information on all Company related matters including recruitment/ appointment and remuneration of Executive Directors, circulars on the advantages of dematerialization and sub-division of shares etc.

IX. OTHER DISCLOSURES

i. **Nomination & Remuneration Committee:**

The company has constituted Nomination & Remuneration Committee as per clause 49 of Listing Agreement and Companies Act, 2013.

Composition of Committee: Composition details of Committee are as follows:

Name of Members	Category	Designation
Mr. Rashmi Kant Mittal	Non-Executive & Independent Director	Chairman
Mr. Sanjeev Agrawal	Executive & Promoter Director	Member
Mr. Prince Goyal	Non-Executive & Independent Director	Member

X. GENERAL SHAREHOLDERS' INFORMATION

i) Annual General Meeting.

Date and Time :- 27th September, 2014 at 10:00 a.m.
Venue :- 153/1, Nirankari Colony, New Delhi-110009

ii) Financial year

The Company follows 1st April to 31st March as its Financial Year. The financial result of every quarter are declared in the month following each quarter except for the last quarter in which the result are declared along with the annual financial results within three months from the end of financial year.

iii) Book Closure

23rd September, 2014 to 30th September, 2014

iii) Dividend Payment Date

The Company has not declared any dividend for the financial year ended on March 31, 2014.

iv) Listing on stock exchanges

Your Company's Shares are listed on the following Stock exchanges:

a) The Delhi Stock Exchanges Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi -110002.

v) Stock Code

DSE Code: - 6022

vi) Electronic Voting:

Pursuant to Section 108 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014 and as per Listing Agreement, the e-voting facility will be provided to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings or through Postal Ballot. The Company shall utilize the service of CDSL to provide e-voting platform, which is in compliance with the conditions specified by the Ministry of Corporate Affairs, Government of India, from time to time and also mention the Internet Link of such e-voting platform in the notice to the shareholders.

vii) Market Price Data

There was no trading in the Company's Equity Shares in any Stock Exchanges during the period April 2013 to March 2014.

viii) Registrar and Transfer Agent

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase - II,

New Delhi - 110 020

Ph: - 26387281/82/83

Fax: - 26387384

Email: - info@masserv.com

Website: www.masserv.com

ix) Share Transfer System

The Company's shares are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Shareholders'/investors' Grievance Committee. The share transfer process is reviewed by the said committee.

The company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the Certificate with the Stock Exchange.

x) Distribution of shareholding as on March 31, 2014

No. of shares held	Shareholders		Shares held	
	Numbers	Percentage	Numbers	Percentage
1 - 5000	52	50.485	10150	1.015
5001 - 10000	15	14.563	13050	1.305
10001 - 20000	4	3.883	7200	0.720
20001 - 30000	1	0.971	3000	0.300
30001 - 40000	1	0.971	3900	0.390
40001 - 50000	2	1.942	9200	0.920
50001 - 100000	20	19.417	142800	14.280
100001 and Above	8	7.767	810700	81.070
Total	103	100	1000000	100

xi) Shareholding Pattern as on March 31, 2014

Description of Investors	No. of shares held	% of shareholding
Promoters	616300	61.63
Financial Institutions, Insurance Companies Banks and Mutual Funds etc.	0	0

Foreign Institutional Investors	0	0
Bodies Corporate	48000	4.8
NRI/ OCBs	0	0
Clearing Member	21700	2.17
Indian Public:- i) Individual shareholders holding nominal share capital up to Rs. 1 lacs.	182800	18.28
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lacs.	131200	13.12
Total	10,00,000	100.00

xii) Dematerialization of shares and liquidity

The Company's Equity Shares are available for trading in dematerialized form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has entered into agreement with both of these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories.

xiii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity are not applicable on the company.

xiv) Plant locations

Not Applicable

xv) Code of Conduct

The Company has in place a code of conduct applicable to the Board Members as well as the Senior Management and the same has been communicated to the members of the Company. All the Board Members and the Senior Management of the Company have affirmed compliance with the Code of Conduct as on March 31, 2014.

xvi) Investors' Correspondence may be addressed to:

Mr. Rashmi Kant Mittal
Fortune Industrial Resources Ltd.
153/1, Nirankari Colony, Delhi-110009

xvii) **Disclosures and Information**

The Company has complied with the requirements of Stock Exchange/SEBI/ statutory authorities on all matters relating to Capital Market. No strictures being imposed by SEBI or Stock Exchanges during the year.

The Board of Directors receives from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and/or their relatives have personal interest.

The particulars of transactions between the Company and its related parties are as per the Accounting Standard set out in the Audited financial reports.

For Fortune Industrial Resources Ltd.

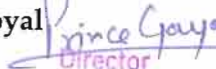

Director

Place: New Delhi
Date: August 14, 2014

Rashmi Kant Mittal
Director
DIN: 01812102
C-504, Brij Vihar, Link Road,
Ghaziabad-201011, U.P.

By Order of the Board of Directors
For Fortune Industrial Resources Limited


For Fortune Industrial Resources Ltd.

Prince Goyal 
Director
DIN: 00954215
R/o A-48, Chander Nagar
Ghaziabad-201011, U.P.

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-section I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them, for the financial year ended March 31, 2014.

For Fortune Industrial Resources Ltd.


Director

Rashmi Kant Mittal
Director

Place: Delhi

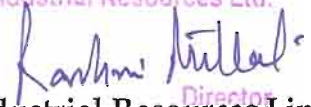
Date: May 30, 2014

Certification by Mr. Rashmi Kant Mittal, Director, pursuant to Clause 49 of the Listing Agreement regarding financial statements

I, Rashmi Kant Mittal, certify that:

- A. I have reviewed the financial statements and the cash flow statement of the Company for the year 31st March 2014 and that to the best to my knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contains statement /statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal control for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and I have disclosed to the auditors and Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. I have indicated whatever applicable, to the auditor and to the audit committee.
- i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Fortune Industrial Resources Ltd.


Director

For Fortune Industrial Resources Limited

Date: May 30, 2014

Place: New Delhi

Rashmi kant Mittal

Director

Kamal & Co.

CHARTERED ACCOUNTANTS
 1372, Kashmere Gate, Delhi-110006
 Phones : 23957796, 23960247, 23940661
 Fax : 011-23926325

AUDITORS REPORT

1. We have audited the annexed Balance Sheet of Messrs FORTUNE INDUSTRIAL RESOURCES LIMITED, DELHI as at 31st March 2014 and also the annexed Profit & Loss Account of the Company for the year ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit includes examining on 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 over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the COMPANIES (AUDITORS REPORT) (AMENDMENT) ORDER, 2004 (CARO) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in the paragraph 4 & 5 of the said order to the extent applicable to the company.
3. Further to our comments into annexure referred to in paragraph 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 account as required by law have been kept by the company so far as appears from our examination of those books of account made available to us.
 - c) The Balance Sheet and Profit & Loss Account dealt with the report are in agreement with the books of accounts.
 - d) In our opinion the profit and loss account and the Balance Sheet dealt with by this report comply with the accounting standards except Accounting Policy Note No. 1.2 on gratuity and leave encashment which is on payment basis.



- e) On the basis of written representation from the Directors as on 31.03.2014 and taken on record by the Board of Directors we report that none of the Directors are disqualified as on 31.03.2014 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section 274 of the companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the accounts read together with the notes thereon and particularly note No. 1.1 on the valuation of investment stocks given the information required by the Companies Act. 1956, in the manner so required and give a true and fair view:
- I. In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2014 and:
 - II. In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

Kamal Kishore

Place: 1372, KASHMERE GATE, DELHI-110006
Date: THIS 30TH DAY OF MAY 2014.

FOR KAMAL & COMPANY
CHARTERED ACCOUNTANTS
MEMBERSHIP NO.12738



Kamal & Co.

CHARTERED ACCOUNTANTS
1372, Kashmere Gate, Delhi-110006
Phones : 23957796, 23960247, 23940661
Fax : 011-23926325

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE ON ACCOUNTS OF M/S. FORTUNE INDUSTRIAL RESOURCES LIMITED, DELHI FOR THE YEAR ENDED MARCH 31,2014.

- 1) The company has maintained proper record showing full particulars including quantitative details and situation of fixed assets. Asset has been physically verified by the management. In our opinion the physically verification being conducted from time to time by the company appears to be reasonable having regard the size of the company and nature of asset. No discrepancy was notice in this regard.
- 2) Company is maintaining proper records of inventory of investment share in stock and no discrepancies noticed during the physical verification between physical stock and book records.
- 3) The provision regarding granting of loan or raising loan from parties listed in the Register maintained u/s 301 of the Companies Act, 1956 is not applicable as no such loans granted/accepted from such parties during the year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of business with regard to the inventory of shares. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- 5) According to information and explanations given to we are of the opinion that the transactions that need to be entered in the related party's register being maintained u/s 301 of the companies Act, 1956, have been entered.
- 6) The company has not invited any deposits from public falling under section 58A and 58AA of Companies Act, 1956 read with the companies (Acceptance of Deposits) Rule 1975, hence this provision is not applicable to the company. Board of Directors of the company had passed the resolution on 4.4.2004 for non-acceptances of any Public Deposit without the approval of R.B.I.
- 7) In our opinion present system of internal audit in the company is adequate and is commensurate with the size and nature of its business.
- 8) Provision regarding maintenance of cost records under section 209 (1) (d) is not applicable to this company.



- 9) Provision regarding Govt.Dues is not applicable as Govt.Dues were deposited without delays.
- 10) Provision regarding accumulated losses is not applicable to the company.
- 11) Provision regarding default on repayment of Term Loan Installment to Financial Institutions / Banks is not applicable to this company as no such loan availed.
- 12) Provision regarding maintenance of adequate records for pledge of shares, debentures and other securities is not applicable to the company as no such loans granted by the company.
- 13) In our opinion company is not a chit fund or Nidhi/Mutual benefit company, hence Clause 4(XIII) of the Companies (Auditors Report) order 2003 are not applicable to this company.
- 14) The company is maintaining proper records for investment shares. Timely entries for such transactions are being made in the records maintained and the share scripts have been held by the company in its own name.
- 15) Provision regarding Corporate guarantees on behalf of parties listed under 301 of the Company Act is not applicable to the company as no such guarantee given.
- 16) Provision regarding end use of Term Loans is not applicable to this company as no such loan raised.
- 17) Provisions regarding information on debenture issued and securities created is not applicable to this company as no such transaction has been taken place during the year.
- 18) Provision regarding end use of public issue money is not applicable as no such money raised during the year by the company.
- 19) During the course of our examination of the Books and Records of the company, carried out in accordance with the generally accepted audit practices in India and according to the information and explanations given to us we have neither come across instances of material fraud on or by the company, noticed or reported during the year nor have we been informed of such cases by the management.



20) According to the information and explanations given to us and on over all examination of the Balance Sheet of the company, we report that no long term funds have been used to finance short term assets, except permanent working capital No funds raised on short term basis have been used for long term investment.

21) Company has complied with the prudential norms relating to income recognition. Accounting standards and for provisioning for bad & doubtful debts. During the year ending 31.03.2014 no provision has been made in view of no advance/ debt or sundry Debtor being doubtful.

22) Company continued to hold group companies shares as long term Investment and has not traded in group companies shares during the year. Further company has through a board resolution identified the group companies but holding is below 90% limit prescribed.

23) During the year company has created statutory reserve from the financial year 2000-01 onwards as required by the Reserve Bank of India in terms of compliance to the provision of section 45 (IC) of Non Banking Financial Companies Auditors report (Reserve Bank) directions 1998.

Kamal Kishore

Place: 1372, KASHMERE GATE, DELHI-110006
Date: THIS 30TH DAY OF MAY 2014.

**FOR KAMAL & COMPANY
CHARTERED ACCOUNTANTS
MEMBERSHIP NO.12738**



Note. No.1- Significant Accounting Policies:-

- 1.1 Share held under investment are valued at cost.
- 1.2 As per practice the liability on account of gratuity / leave encashment was on payment basis. However, the company is proposing to take up insurance policy on this account
- 1.3 Company is maintaining accounts on mercantile basis with interest income on accrued basis.
- 1.4 Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance sheet and provision for all known liabilities have been made.
- 1.5 Previous year figures have been regrouped / rearranged to make them comparable wherever the same was necessary.
- 1.6 Company has paid Compensation on Share money refund during the year in settlement of refund share money account to the applicant.

1.7 Contingent Liability

- a) Any demand that may be raised by the Income Tax authorities of final disposal of assessment. Assessments for the year 2012-2014 pending.
- b) In respect of Dividend arrears on preference shares.


DIRECTOR


DIRECTOR

Place: 1372, KASHMERE GATE, DELHI-110006
Date: THIS 30TH DAY OF MAY 2014


FOR KAMAL & COMPANY
CHARTERED ACCOUNTANTS
MEMBERSHIP NO.12738



MESSRS FORTUNE INDUSTRIAL RESOURCES LIMITED, DELHI
BALANCE SHEET AS AT 31ST MARCH, 2014.

PARTICULARS	NOTE No.	AS AT 31ST MARCH 2014	AS AT 31ST MARCH 2013
I. EQUITY AND LIABILITIES			
1) Shareholder's Fund			
a) Share Capital	2.1	1,10,00,000	1,10,00,000
b) Reserve & Surplus	2.2	10,20,45,241	10,20,23,661
2) Non Current liabilities			
a) Long-term borrowings	2.3	56,02,795	-
2) Current liabilities			
a) Trade payables		3,63,066	2,88,363
b) Other current liabilities		22,23,208	13,99,766
c) Short-term provisions (Income Tax)		23,333	1,80,000
Total		12,12,57,643	11,48,91,790
II. ASSETS			
1) Current assets			
a) Current Investments	2.5	8,52,55,498	8,52,55,498
b) Cash and Cash Equivalent		1,58,63,562	2,95,08,773
c) Short-term loans and advances		2,00,00,000	-
d) Other current assets		1,38,583	1,27,519
Total		12,12,57,643	11,48,91,790
Significant Accounting Policies and Notes to Accounts	1 & 2		

Rajeev Goyal
DIRECTOR

Rashmi Mittal
DIRECTOR

THIS IS THE BALANCE SHEET REFERRED TO IN OUR REPORT OF EVEN DATE.

Kamal Kishore

PLACE : 1372, Kashmere Gate, Delhi - 110 006

DATED : This 30th day of May 2014.

for KAMAL & COMPANY

CHARTERED ACCOUNTANTS

M.N.012738



MESSRS FORTUNE INDUSTRIAL RESOURCES LIMITED, DELHI
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH, 2014.

PARTICULARS	NOTE No.	AS AT 31ST MARCH 2014	AS AT 31ST MARCH 2013
Revenue from operation	2.6	13,85,829	12,75,184
Other Income	2.7	200	-
Total Revenue		13,86,029	12,75,184
Expenses:-	2.8		
- Employee benefits expenses		1,44,825	1,44,961
- Finance Cost		6,02,795	70,651
- Other expenses		5,62,897	4,79,610
Total Expenses		13,10,517	6,95,222
Profit before extraordinary items and tax		75,512	5,79,962
Less: Extraordinary items		30,599	-12,949
Profit before tax		44,913	5,92,911
Tax Expenses			
1) Current Tax		23,333	1,80,000
2) Deferred Tax		-	-
Profit/(Loss) for the period		21,580	4,12,911
Contribution for Statutory Reserve Fund		15,102	1,15,992
Net Profit carried to Reserve & Surplus		6,478	2,96,919
Earning per equity share:			
1) Basic		0.02	0.41
2) Diluted		0.02	0.41
See accompanying notes to the financial statements			

Prince Goyal
DIRECTOR

Rashmi Mittal
DIRECTOR

THIS IS THE PROFIT AND LOSS ACCOUNT REFERRED TO IN OUR REPORT OF EVEN DATE.

Kamal Kishore

PLACE : 1372, Kashmere Gate, Delhi - 110 006

DATED : This 30th day of May 2014

for KAMAL & COMPANY

CHARTERED ACCOUNTANTS

M.N.012738



Notes forming part of the Financial Statements

Particulars	Amount (Rs.)	
	31.03.2014	31.03.2013

NOTES- 2.1

Share Capital

Authorized Share Capital

29,00,000 Equity Share of Rs. 10 each	2,90,00,000	2,90,00,000
1,00,000 Preference Share of Rs. 10 each	10,00,000	10,00,000
Total	3,00,00,000	3,00,00,000

Issued, Subscribed and Paid Up Share Capital

10,00,000 Equity Share of Rs. 10 each	1,00,00,000	1,00,00,000
1,00,000 Preference Share of Rs. 10 each	10,00,000	10,00,000
Total	1,10,00,000	1,10,00,000

Per Value of Each Share **10/-** **10/-**

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

No. of Shares Outstanding at the beginning	1100000	1100000
Add: Shares issued during the year	-	-
No. of Shares Outstanding at the end	1100000	1100000

The details of shareholders holding more than 5% shares is as follows

Name of the shareholders	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Sanjeev Agarwal	4,20,500	38.23	4,20,500	38.23
Mrs. Prabha Agarwal	1,00,000	9.09	1,00,000	9.09
Mrs. Deepit Agarwal	95,800	8.71	95,800	8.71
Mr. Mukesh Agarwal	69,200	6.29	69,200	6.29

NOTES- 2.2

Reserves & Surplus

-Profit & Loss A/c

Opening Balance	94,66,316	91,69,397
Profit/(Loss) during the year	6,478	2,96,919
Total Profit & Loss A/c	94,72,794	94,66,316
- Statutory Reserve Fund	35,72,447	35,57,345
- Security Premium	8,90,00,000	8,90,00,000
	10,20,45,241	10,20,23,661



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NOTES- 2.3**Non Current Liabilities****Secured Loan**

Demand Loan	56,02,795	-
(Secured against pledge of FDR of the company with bank)		
	<u>56,02,795</u>	<u>-</u>

NOTES- 2.4**Current Liabilities****Trade Payable**

Sundry Creditors	2,61,942	1,79,756
Expenses Payable	1,01,124	1,08,607
	<u>3,63,066</u>	<u>2,88,363</u>

Other Current Liabilities

Cheque Issued	22,10,287	13,81,113
TDS Payable	12,921	18,653
	<u>22,23,208</u>	<u>13,99,766</u>

Short Term Provisions

Provision for Income Tax	23,333	1,80,000
	<u>23,333</u>	<u>1,80,000</u>

NOTES- 2.5**Current Assets****Current Investments**

Investment in Property	6,48,101	6,48,101
Investment in Shares (Unquoted at Cost)	8,46,07,397	8,46,07,397
	<u>8,52,55,498</u>	<u>8,52,55,498</u>

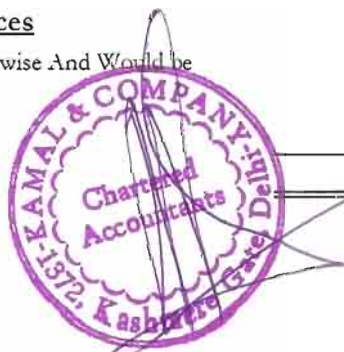
Cash and Cash Equivalents

Cash/Imprest In Hand	2,45,711	14,429
<u>Balance in Current Account</u>		
- With Scheduled Bank	48,487	1,51,72,226
- Fixed Deposit Account	1,26,00,000	1,26,00,000
- FDR Interest Recoverable	29,69,364	17,22,118
-Cheques in Hand	-	-
	<u>1,58,63,562</u>	<u>2,95,08,773</u>

Short Term Loans and Advances

(Considered Good Unless Stated Otherwise And Would be

Share Purchase Advance	2,00,00,000	-
	<u>2,00,00,000</u>	<u>-</u>



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Other Current Assests

Advance Tax/TDS Recoverable	1,38,583	1,27,519
	<u>1,38,583</u>	<u>1,27,519</u>

NOTES- 2.6**Revenue From Operation**

Interest on Fixed Deposit	13,85,829	12,75,184
	<u>13,85,829</u>	<u>12,75,184</u>

NOTES- 2.7**Other Income**

Unclaimed Balance W/Back	200	-
	<u>200</u>	<u>-</u>

NOTES- 2.8**Expenses****Employee Benefits Expenses**

Salary	1,44,000	1,44,000
Staff Welfare	825	961
	<u>1,44,825</u>	<u>1,44,961</u>

Finance Cost

Interest on Demand Loan	<u>6,02,795</u>	<u>70,651</u>
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Other Expenses

Audit Fees	1,12,360	1,12,360
Cost of Advertisng	60,627	56,428
Bank Interest & Charges	174	1,709
Conveyance	6,255	6,565
Fees & Taxes	21,345	22,124
Legal & Professional Charges	1,56,743	75,549
Office Rent & Maintenance	2,04,000	1,98,000
Postage & Telegram	250	350
Printing & Stationary	1,133	6,505
Miscellaneous	10	20
	<u>5,62,897</u>	<u>4,79,610</u>



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