

FORTUNE INDUSTRIAL RESOURCES LIMITED

Regd. Office:- 25, Bazar Lane, Bengali Market, New Delhi-110001

Tel. No.: 011-43585000, Fax: 011-43585015, E-mail: firl.nbfc@gmail.com, Website: www.firl.co.in

CIN: L51503DL1986PLC024329

NOTICE OF 34th ANNUAL GENERAL MEETING

Notice is hereby given that 34th Annual General Meeting (AGM) of Fortune Industrial Resources Limited will be held on Tuesday, 29th September, 2020 at 04:00 PM at 25, Bazaar Lane, Bengali Market, New Delhi-110001 through video conferencing ("VC") / Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Results for the financial year ended on 31st March, 2020 and 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 is eligible for re-appointment.

For and on behalf of Board of Directors

SD/-

Date: 03-09-2020

Place: New Delhi

**Bharti
Company Secretary**

IMPORTANT INFORMATION ABOUT THE AGM (NOTES)

1. In view of the continuing present Covid-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the aforementioned MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 34th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A Member entitled to attend and vote at the Annual General Meeting ("the meeting") is also entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. **Since, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, Physical attendance of Members have been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013, at firl.nbfc@gmail.com,
3. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report 2019-20 has been uploaded on the website of the Company at www.firl.co.in and on the websites of the Stock Exchanges at www.mseil.in and on the website of CDSL at www.evotingindia.com.
4. Members attending AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
5. Since, the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 23rd September, 2020 to Tuesday, the 29th September, 2020 (both days inclusive).
7. Members are requested to send their queries to the Company, if any, on accounts and operations of the Company at least ten days before the meeting so that the same could be suitably answered at the meeting.
8. Members whose shareholding(s) are in electronic mode are requested to inform any changes relating to address, bank mandate and Electronic Clearing Services (ECS) details to their respective Depository Participants and in case of physical shares, to the Company's Registrar & Share Transfer Agent M/s. Mas Services Limited by mail at info@masserv.com together with a valid proof of address.
9. In line with measures of Green Initiative taken by the Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively) and Companies Act, 2013 also provides for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with M/s. Mas Services Limited by mail at info@masserv.com and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs).
10. 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 the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
11. The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Director seeking re-appointment at the ensuing Annual General Meeting is as under:

| | |
|---|--|
| Name of Director | Sanjeev Agrawal |
| DIN | 00282059 |
| Date of Appointment | 15.02.2010 |
| Qualification | MBA from Coca Cola University, Atlanta, USA M.com from Kanpur University |
| Expertise in Specific Functional Area and Experience | He was instrumental in establishing the state-of the-art plant of carbonated soft drink under franchisee agreements with M/s Coca-cola Inc, USA at Sahibabad, Greater Noida, Kanpur, Rurkela. He has been the brain behind establishing the group diversification and growth over the year. He has been instrumental in the group diversification by creating business interest for the business interest for the group in area like, Hospitality, Education, Oil & Gas (Service provider to ONGC), Food and Beverages. He has taken active part in various political, social & cultural activities in the country and in Delhi local area. |
| Terms and Conditions of re-appointment along with details of remuneration sought to be paid | The Terms-Conditions for Appointment will remain the same. (No Remuneration) |
| Remuneration last drawn (including sitting fees, if any) | No Salary or Sitting fees to be paid to Mr. Sanjeev Agrawal. |
| Directorship in other Companies (excluding Foreign, private and Section 8 companies) | 1. Seamec Limited |
| Membership of Committees in other Public Limited Companies | Mr. Sanjeev Agrawal were the Member of following Committees of M/s Seamec Limited 1. Nomination and remuneration Committee 2. Corporate Social Responsibility Committee 3. Risk Management Committee 4. Stakeholder Relationship Committee |
| No. of Shares held in the Company as on 31.03.2020 (Face Value ₹ 10/- per share) | 42.05 % |
| Number of meetings of the Board attended during the Financial Year 2019-20 | 6 (Six) Board Meeting |
| Relationship with other Directors, Manager and Key Managerial Personnel of the Company | No Interest |

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility:
The e-voting facility is available at the link:
<https://www.evoting.india.com/>.
13. E-voting commences on September 26, 2020 at 9:00 A.M. and will end at September 28, 2020 at 5:00 P.M. and at the end of e-voting period, the facility shall forthwith be blocked.
14. The Detailed instructions on remote e-voting is made part of a separate sheet "Instructions for e-voting" attached to this Notice.

15. The instructions for shareholders voting electronically are as under:

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| | For Shareholders holding shares in Demat Form and Physical Form |
|--|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in email. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii). |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, and copy of PAN card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your name.

In the "last name" field - Enter your folio no. as informed in e-mail

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Event No. 166 553 1030 will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:
 - ☐ Windows 7, 8 or 10
 - ☐ I3
 - ☐ Microphone, speaker
 - ☐ Internet speed minimum 700 kbps
 - ☐ Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

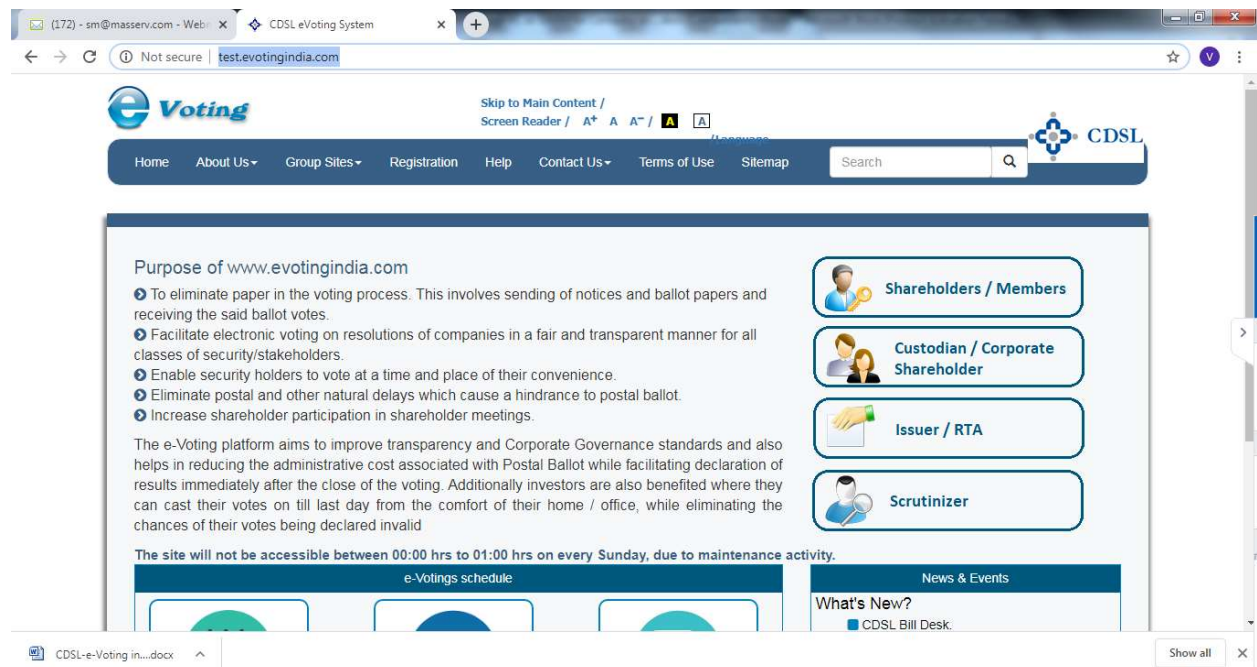
☐ Please download webex application from play store

NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

**PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC
(EXPLAINED USING SCREENSHOTS):**

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>.

Below screen will be appear.



- ii. Press Shareholders/Members tab, after which the below screen will be appear.

Shareholders / Members

Please enter the userid as communicated to you and replicate the image text(code) you see below for validation.
After entering the login details you would be able to select the Company for which you intend to vote.

User ID *

818433

Enter the Characters Displayed *

☐ Click to use Virtual Keyboard

Use Mobile App For e-Voting

Shareholders may log-in to m-voting using their e-voting credentials to vote for company resolutions.

Download the m-Voting app on your

version based mobile phones,today!

iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above. Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.

Shareholders / Members

Character Validation was successful. Kindly enter other login details to proceed.

User ID *

Password *

* Field Mandatory
Any one field should be mandatorily entered.

☐ Click to use Virtual Keyboard

Use Mobile App For e-Voting

Shareholders may log-in to m-voting using their e-voting credentials to vote for company resolutions.

Download the m-Voting app on your

version based mobile phones,today!

iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

Character Validation was successful. Kindly enter other login details to proceed.

User ID *

PAN *

Any one of the details given below has to be mentioned for the first time login. Kindly enter the details as available on the demat account or folio number.

Bank Account Number#

DOB or Date Of Inc.#

* Field Mandatory;
Any one field should be mandatorily entered.

☐ Click to use Virtual Keyboard

Use Mobile App For e-Voting

Shareholders may log-in to m-voting using their e-voting credentials to vote for company resolutions.

Download the m-Voting app on your

version based mobile phones, today!

- v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

Welcome JAGRUTI SHANTILAL SHAH (IN30074910242015)

Member Voting Screen

Click an EVSN. A new screen will open, wherein you shall be able to cast your vote(s) into the e-Voting system.

| Voting Type | Live Streaming | EVSN | EVSN Type | Company | Start Date / End Date |
|-------------|---------------------------------|-----------|---------------|-----------------------------|--|
| Venue | Click here 10-Jun-2020 10:00 | 170410003 | Postal Ballot | CDSL e-Voting Demo System55 | 07-Jun-2019 09:00 Hrs 09-Jun-2020 17:00 Hrs |

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Best Viewed in Google chrome OR IE 10 & above. Resolution 1024 x 768 pixels or higher.

Home | About Us | CDSL | CVL | Help | Contact us | Copyright Policy | Hyperlink Policy | Privacy Policy | Terms of Use | Feedback | SiteMap | Helpdesk:1800225333 | Site Last Updated on : November 17, 2017

- vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

The screenshot shows the e-Voting portal interface. At the top, there's a navigation bar with links like Home, About Us, Grievance, Privacy, Contact Us, and Terms of Use. The main content area is titled "Welcome A.R. GOEL (Electorate)". Below this, there's a section for "Please read your User Name" and "Please read your Password". The user's details are displayed: Company: 212 LARSEN, ID: 20080001, IDN: 0000000000, IDN Name: 212 LARSEN, Voting Period: from: 01-Jun-2022 00:00:00 to: 15-Jun-2022 17:00:00, and Voter Number: 1. Below this, there's a table of resolutions for the upcoming election. The table has columns for Resolution Number, Description, and Action. The resolutions are related to the financial statement and the election of directors.

| Resolution Number | Description | Action |
|-------------------|---|--------|
| 1 | TO APPROVE THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH 2022 | Vote |
| 2 | TO APPROVE THE STATISTICAL AUDITORS | Vote |
| 3 | TO APPROVE MR. A. S. DIRECTOR OF THE COMPANY | Vote |

← → ↺

telecraft.webex.com/mw3300/mywebex/default.do?nomenu=true&siteurl=telecraft&service=6&rnd=0.3323739293425717&main_url=https%3A%2F%2Ftelecraft.webex.co...

☆ 📄 A

📶

cisco

Webex For

telecraft

eSolutions

Event Information: Webex Event Demo

English : Mumbai Time

🔄

Event status:

Not started

Date and time:

Monday, May 25, 2020 5:00 pm
India Time (Mumbai, GMT+05:30)
[Change time zone](#)

Duration:

2 hours

Description:

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password:

☐ I would like to take a free Webex trial (email required)

Join Now

Join by browser

NEW!

If you are the host, [start your event](#).

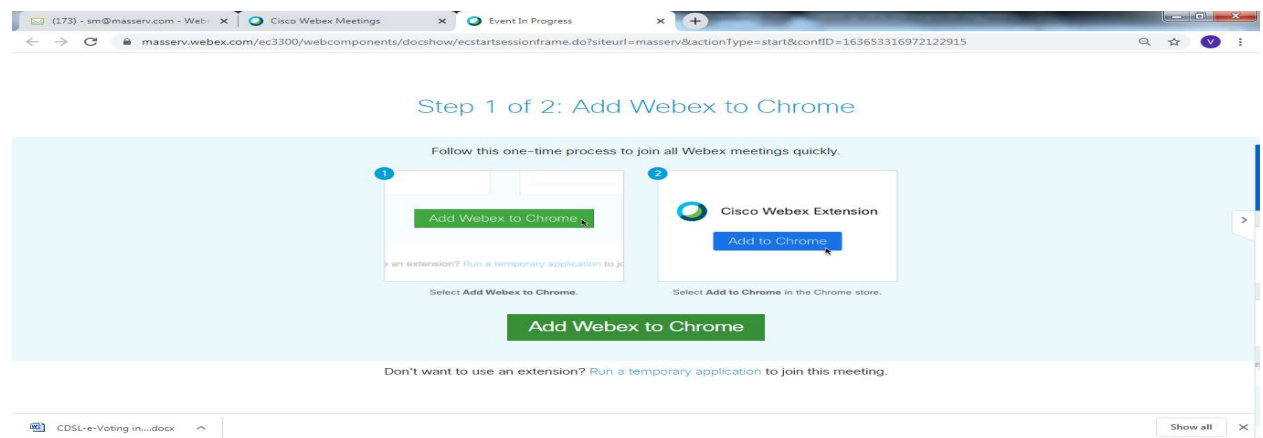
| | |
|-------------------------------|--|
| In the "Name" field | - Put your name. |
| In the "last name" field | - Enter your folio no. as informed in e-mail |
| In the "Email ID" field | - Put your email ID |
| In the "Event password" field | - Put the password as "cdsl@1234" |

Click join now button.

Event No. 166 553 1030 will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

vii. Once you click on 'Join now' tab, the following screen will be appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

For and on behalf of Board of Directors

Date: 03-09-2019
Place: New Delhi

**SD/-
Bharti
Company Secretary**

FORTUNE INDUSTRIAL RESOURCES LIMITED

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DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting this 34th Annual Report on the business and operation of the company together with Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

1. Financial Highlights;

| Particulars | 31.03.2020 (Amount in Rs.) | 31.03.2019 (Amount in Rs.) |
|---|-------------------------------|-------------------------------|
| Revenue from operation | 29,51,299.00 | 33,09,298.00 |
| Other Income | 14,616.00 | - |
| Total Revenue | 29,65,915.00 | 33,09,208.00 |
| Expenses | 40,83,955.00 | 46,70,397.00 |
| Profit/loss before exceptional item, extraordinary item and Tax | (11,18,040) | (13,61,189) |
| Exceptional Item | 0 | 0 |
| Profit & Loss before Extra Ordinary items and tax | (11,18,040) | (13,61,189) |
| Extraordinary items | 0 | 0 |
| Current Tax | 7,41,685 | 2,78,630 |
| Profit & Loss for the period from continuing operations | (18,59,725.00) | (16,39,819.00) |
| Other Comprehensive Income | 0 | 3,26,74,528.00 |
| Profit After Comprehensive Income | (18,59,725.00) | 3,10,34,708.00 |

Performance Overview

During the fiscal year ended 31st March 2020, revenue from operation was Rs. 29.65 lakhs as compared to Rs. 33.09 lakhs in previous year. The Company continues to take effective steps in broad-basing range of activities. The Company has made a profit after tax of Rs. (18.59) lakhs during the current financial year as against the profit of Rs. 310.34 lakhs in previous financial year. Your Directors are deploying the profit for the development of the Company.

INFORMATION PURSUANT TO SECTION 134(3) OF COMPANIES ACT, 2013

2. SUBSIDIARY COMPANIES - MONITORING FRAMEWORK

Currently the Company is not having any Subsidiary /Associate or Joint Venture Company.

3. REGISTRATION AS INVESTMENT COMPANY

The Company is a registered Non-Banking Financial Institution- Investment Company ("NBFC-IC") pursuant to the receipt of Certificate of Registration from the Reserve Bank of India ("RBI") dated September 11, 2013, under Section 45-IA of the Reserve Bank of India Act, 1934.

Reserve Bank of India (RBI) granted the Certificate of Registration to the Company in December, 2007 vide Registration No. B.14.01702, to commence the business of a non-banking financial institution without accepting deposits. Your Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND).

4. AMOUNT TRANSFERRED TO RESERVES:

During the year under review, the company has utilized/withdraw Rs. 3,71,944.99 from Special Reserve (Standard Assets Reserve) as per directions of RBI. As per RBI guidelines, Company has also created Contingent Liability Risk Reserve Fund but did not transfer any sum during the year.

5. DEPOSITS:

No public deposits have been accepted by the Company. The Company being Non Banking Financial Company Registered under Chapter IIIB of Reserve Bank of India Act, 1934 (2 of 1934), thus the provisions of Section 73 of Companies Act, 2013 are not applicable on the Company.

6. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The company had 6 (Six) Board Meetings during the financial year under review. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

7. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Pursuant to the provisions of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, your Company has adopted a policy and during the year no complaints of Sexual Harassment of women at work place has been reported or received.

8. 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.

9. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of financial statements, any treatment different from that prescribed in an Accounting Standard has not been followed.

10. STATUTORY DISCLAIMER:

The Company is having a valid Certificate of Registration dated September 11, 2013 issued by RBI under Section 45-IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liabilities by the Company.

11. DIRECTORS AND KEY MANAGEMENT PERSONNEL

During the year under review, Mr. Deepak Kumar Jha resigned from the position of Company Secretary of the Company w.e.f., 31st October, 2019. Further, Ms. Bharti has been appointed as Company Secretary & Compliance Officer of the Company w.e.f., 28th January, 2020

Further, there is no change in composition of Board of Directors during the year.

12. MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion & Analysis Report for the year under review, as stipulated under regulation 34(2)(e) of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015, is presented as **Annexure-I** forming part of the Director's Report.

13. CORPORATE GOVERNANCE:

The Company has in place the SEBI Regulations pertaining to corporate Governance.

The Corporate Governance Report for the financial year ended 31st March, 2020 giving the details as required under Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given separately as **Annexure-II**.

The Corporate Governance Certificate for the financial year ended 31st March, 2020 issued by M/s Bhala & Bhala, Statutory Auditor of the Company is annexed as **Annexure-III**.

Mr. Nishant Goyal, Whole Time Director and Mr. Umesh Kumar Gupta, Chief Financial Officer of the Company, have given their certificate under Regulation 17(8) read with part B of Schedule II of SEBI (LODR) regarding Annual Financial Statements for the financial year ended 31st March, 2020 which is annexed as **Annexure IV**.

The Whole Time Director has given certificate under Regulation 34(3) of SEBI-LODR read with Part D of Schedule V of SEBI-LODR regarding compliance with the Code of Conducts of the Company for the financial year ended 31st March, 2020 which is attached as **Annexure-V**.

14. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, read with Regulation 24(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Arvind Kushwaha & Associates, Company Secretaries in Whole-time Practice, was appointed to conduct Secretarial Audit for the year ended 31st March, 2020. M/s Arvind Kushwaha & Associates, Practicing Company Secretaries has submitted Report on the Secretarial Audit along with Secretarial Compliance Report attached as "**Annexure VI**" and further, M/s Vimal Chadha & Associates, Company Secretaries has provided the Certificate of Annual Secretarial Compliance Report as per the SEBI Circular SEBI CIR/CFD/CMD1/27/2019 dated February 08, 2019 and the report is attached as "**Annexure VII**" forms part of Director's Report. Your Directors state that the applicable secretarial standards pursuant to section 118 of the Companies Act, 2013 as prescribed by the Institute of Company Secretaries of India have been complied for the financial year 2019-20.

15. INTERNAL AUDIT:

Internal Audit was by M/s SHP & Associates. For conduction of Internal Audit for Financial Year ended 31st March, 2020, the Company had appointed M/s SHP & Associates as Internal Auditor of the Company.

16. STATUTORY AUDITOR:

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 31st Annual General Meeting approved the appointment of M/s. Bhala & Bhala, Chartered Accountants, as the Statutory Auditors of the Company for an initial term of 5 years. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The Report given by M/s. Bhala & Bhala, Chartered Accountants on the financial statements of the Company for the year 2020 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

17. STATEMENT OF PARTICULARS OF EMPLOYEES:

None of the employee drew Rs. 5.00 lacs or more per month and Rs. 60.00 lacs or more per annum during the period. None of the top ten employees drew remuneration of Rs. 102.00 lacs or more per annum or Rs. 8.50 lacs or more per month during the financial year 2019-20. Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure VIII** to this Report.

Such particulars shall also be made available to any Shareholder on specific request made by him in writing before the date of such Annual General Meeting.

18. NON-EXECUTIVE DIRECTORS' COMPENSATION:

A sitting fee of Rs. 5,000 per meeting (Board meeting including Committee, if held on same day) is paid to Independent Directors, for every meeting of the Board or Committee of the Board attended by them.

19. REVIEW OF LEGAL COMPLIANCE REPORTS:

During FY 2019-20, the Board periodically reviewed legal compliance reports with respect to the various laws applicable to the Company as prepared and placed before it by the Management.

20. BOARD INDEPENDENCE:

The definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent. Statement on declaration is also annexed as **Annexure-IX**.

21. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS:

The Company has issued a formal letter of appointment to independent directors as provided in the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are placed on the Company's website.

22. EXTRACT OF ANNUAL RETURN:

The extract of annual return for the financial year 2019-20 will be hosted on the website of the Company at www.firl.co.in.

23. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

The Statutory Auditors of the Company has not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

24. DISCLOSURE ON VIGIL MECHANISM:

The Company has established a vigil mechanism through which directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has set up initiative, under which all Directors, employees, business associates have direct access to the Chairman of the Audit committee. Further information on the subject can be referred to in section "Disclosures"-Whistle-Blower Policy/ Vigil Mechanism of the Corporate Governance Report.

25. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of Companies Act, 2013 and provisions of SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015 and in preparation of annual accounts for the financial year ended 31st March, 2020 and state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they 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 profits of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Considering the Company's activities as an Investment the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities. There were no foreign exchange earnings and outgo during the year.

27. DEPOSITORY SYSTEM:

The Company's Equity Shares are compulsorily tradable in electronic form. As on 31st March, 2020, out of the Company's total equity paid-up share capital (in nos.) comprising of 10,00,000 Equity Shares 6,16,300 Equity Shares are in de-mat form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of de-materialization.

28. LOAN GUARANTEE AND INVESTMENTS:

The company, being a Non Banking Financial Company Registered under Chapter IIIB of the Reserve Bank of India Act, 1934 (2 of 1934), thus the provisions of section 186 of the Companies Act, 2013 is not Applicable to the Company "

29. GREEN INITIATIVES:

The Annual Report and other shareholder communications are all available in electronic as well as paper format. We would like to take this opportunity to encourage you to consider receiving all shareholder communications electronically, including future notices of meeting.

The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the depository participant(s), unless the members have registered their request for hard copy of the same. Physical copy of the notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their email address with the company or depository participant(s). Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

30. OTHER POLICIES UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has formed policy for determination of materiality for disclosures of events or information. The same has been hosted on the website of the Company. Further, the Company has also formed (i) Policy for preservation of Documents and (ii) Archival policy for disclosures hosted in the website.

31. APPRECIATION:

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies and other government and regulatory agencies and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of Board
Fortune Industrial Resources Limited

Date: 03-09-2020
Place: New Delhi

Nishant Goyal
Whole-time Director
DIN: 08153024

Vicky Kumari
Director
DIN: 08248219

ANNEXURE FORMING PART OF BOARD REPORT

The Annexure referred to in this report and other information which are required to be disclosed are annexed herewith and form the part of this Board Report.

| Particulars | Annexure |
|--|-----------------|
| Management Discussion and Analysis Report | Annexure-I |
| Corporate Governance Report | Annexure-II |
| Certificate from Statutory Auditor on Corporate Governance Report | Annexure-III |
| Managing Director's Certificate under Regulation 34(3) read with part D of Schedule v of SEBI-LODR on compliance with Codes of conduct | Annexure-IV |
| Certificate from CEO and CFO- pursuant to Regulation 17(8) of SEBI(Listing Obligation and Disclosure Requirement)Regulation, 2015 | Annexure-V |
| Secretarial Audit Report | Annexure-VI |
| Annual Secretarial Compliance Report as per the SEBI Circular SEBI CIR/CFD/CMD1/27/2019 dated February 08, 2019 | Annexure-VII |
| Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 | Annexure-VIII |
| Statement on declaration by Independent Director | Annexure-IX |
| Extract of Annual Return- MGT-9 | Annexure-X |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FINANCIAL YEAR OF THE COMPANY: The Financial Year of the Company continues to remain twelve month of financial year starting with 1st April of every financial year.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE: The financial statements are prepared in compliance with the requirements of the Companies Act, 2013 and the Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India.

OPERATIONS: Your Company continues to take effective steps in broad basing of its range and activities.

INDUSTRY STRUCTURE AND DEVELOPMENT: The Company is engaged in the business of Investment in Securities and providing Loans and Advances. The Company is registered with the Reserve Bank of India (RBI) as a non deposit taking NBFC. During the year under review, the Capital Market got a boost after the election of new government which was formed with absolute majority considering the improved market environment, the company has started giving more stress on equity research and investment activities. Barring unforeseen circumstances, the company should be able to maintain good performance.

OPPORTUNITIES AND THREATS: The growth of the company is subject to opportunity and threats as are applicable to the Industry from time to time.

RISK AND CONCERN: While risk is an inherent aspect of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for its mitigation including business portfolio risk, financial risk, legal risk and internal process risks.

FUTURE OUTLOOK: In the near future, the Company intends to continue to focus on its current business of investment, management consultation.

MATERIAL CHANGES AND COMMITMENTS There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY: Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures the Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT: FIRL has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. The Risk Management Committee of the Board is responsible for preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, identifying and reviewing critical risks on regular basis and reporting of key changes in critical risks to the Board on an ongoing basis, reporting of critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board.

SEGMENT WISE PERFORMANCE: The Company operates in one Segment only.

HUMAN RESOURCES: The Company seeks respects and values the diverse qualities and background that its people bring to it and is committed to utilizing the richness of knowledge, ideas, experience that this diversity provides. The Company has built a resource base and cross-functional managers to take care of multi dimensional businesses.

DISCLOSURES: During the year the Company has not entered into any transaction of material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

CAUTIONARY FORWARD LOOKING STATEMENTS: Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

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.

For and on behalf of Board
Fortune Industrial Resources Limited

Date: 03-09-2020
Place: New Delhi

Nishant Goyal
Whole-time Director
DIN: 08153024

Vicky Kumari
Director
DIN: 08248219

REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report relating to the year ended 31st March, 2020 has been issued in compliance with the requirement of Regulation 34(3) read with Clause C of Schedule V of SEBI(Listing Obligations and Disclosure Requirements)Regulation, 2015 and forms a part of the Report of Board of Directors to the members of the Company.

PHILOSOPHY ON CODE OF GOVERNANCE**I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Company's Philosophy on Code of Corporate Governance Good governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal aspirations. The Company emphasizes on good Corporate Governance and believes in maintaining highest standards of quality and ethical conduct in all activities of the Company. The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

Securities and Exchange Board of India (SEBI) has on July 16, 2019 issued circular regarding format for compliance report on Corporate Governance to be submitted to Stock Exchange (s) by listed entities. The format specified in the annexure to this circular shall replace the format specified in the annexure to the SEBI circular dated September 24, 2015. The circular shall come into force with effect from the quarter ended September 30, 2019.

KOTAK COMMITTEE ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on 28th March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9th May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

II. BOARD OF DIRECTORS**A. BOARD'S COMPOSITION AND CATEGORY****DIRECTORS**

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors.

During the year under consideration, the Company had Four member Board of Directors consisting of two Non Executive Independent Directors, One Non Executive Non Independent Director and One Whole Time Director.

Appointments

Ms. Vickky Kumari joined the Board as Woman Independent Additional Director w.e.f 26.09.2018.

Resignation/ Vacation

- Mr. Deepak K Jha, Company Secretary had resigned from the position of Company Secretary Cum Compliance Officer w.e.f 31st October, 2019.
- Ms. Bharti, Company Secretary has joined the organization as Company Secretary Cum Compliance Officer w.e.f 28th January, 2020.

Re-appointment

Mr. Sanjeev Agrawal, Non Executive Director will retire at the ensuing Annual General Meeting and being eligible, offer himself for re-election.

All Directors have certified that the disqualifications mentioned under Section 164, 167 and 169 of the Companies Act, 2013 do not apply to them. The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The Policy on Director's appointment and remuneration including criteria for determining qualification, positive attributes, Independence of directors and also remuneration for Key Managerial Personnel and other employees forms part of this Annual Report.

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 31st March, 2020 is as follows:

CLASSIFICATION OF BOARD

| CATEGORY | No. OF DIRECTORS | % OF TOTAL NO. OF DIRECTORS |
|--|------------------|-----------------------------|
| Executive Directors | 1 | 0.25 |
| Non Executive Independent Directors (including Woman Director) | 2 | 0.50 |
| Non Executive Director | 1 | 0.25 |
| Total | 4 | 100.00 |

COMPOSITION AND DIRECTORSHIP(S)/COMMITTEE MEMBERSHIP(S)/CHAIRMANSHIP(S) AS ON 31ST MARCH, 2020

| Name | Date of Joining on the Board | Directorship in other Companies [#] | Membership(s) of the Committees of other Companies ^{##} | Chairmanship of the Committees of other Companies ^{##} |
|--|--|--|--|---|
| Non-Executive Director Sanjeev Agrawal | 15.02.2010 Regularized on 30.09.2010 | 11 | 4 | NIL |
| Independent Director Ms. Vickky Kumari | 13.02.2018 | 1 | NIL | NIL |
| Independent Director Mr. Pankaj Gupta | 15.11.2016 Regularized on 30.09.2016 | 1 | NIL | NIL |
| Executive Director Nishant Goyal | 25.05.2018 Regularized on 25.09.2018 | 2 | NIL | NIL |

[#]Foreign Companies, Alternate Directorships and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose. Number of Directorship in other companies is counted excluding the present company.

^{##}includes only Audit Committee & Nomination and Remuneration Committee. The number of Directorships, Committee Memberships/ Chairmanships of all Directors is with respective limits prescribed under the Companies Act, 2013 and Listing Agreement.

DISCLOSURE OF RELATIONSHIP OF DIRECTORS INTERSE:

None of the Directors have any pecuniary relationship inter-se.

NUMBER OF BOARD MEETING CONDUCTED DURING THE YEAR UNDER REVIEW

The Board meets at regular intervals to discuss and decide on Company/ Business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Delhi.

The Company had 6 (Six) Board Meetings during the financial year under review.

During the Financial Year ended 31st March, 2020, Six Board meetings were held on 29th April, 2019, 29th May, 2019, 12th August, 2019, 14th November, 2019, 28th January, 2020, and 13th February, 2020.

The maximum gap between any two meetings was maximum one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

SEPARATE INDEPENDENT DIRECTORS' MEETINGS

The Independent Directors meet at least once in a year without the presence of Executive Directors or Management representatives, to discuss issues and concerns, if any and inter alia discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Independent Directors. For the financial year ended 31st March, 2020 the meeting of Independent Directors was held on 13th February, 2020.

POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration Committee (NRC) of the Company comprises Ms. Vickky Kumari, Chairperson, Mr. Pankaj Gupta, Member and Mr. Sanjeev Agrawal, Member. The NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors, before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors. In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Board Diversity and Director Attributes and a Remuneration Policy. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs.

DIRECTORS' INDUCTION AND FAMILIARIZATION

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The detail of the familiarization programme is available on the website of the Company.

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- a. provide an appreciation of the role and responsibilities of the Director;
- b. fully equip Directors to perform their role on the Board effectively; and;
- c. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the website of the Company.

BOARD MEMBERSHIP CRITERIA

Fit and Proper Criteria & Code of Conduct; All the Directors meet the fit and proper criteria stipulated by RBI. All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

CONSTITUTION OF COMMITTEES

With the change in composition of Board, various Committees of your Board have been constituted/re-constituted. The reconstituted committees are hereunder:

AUDIT COMMITTEE

The Company's Audit Committee comprises all the three Non-Executive Directors out of which two are Independent Directors.

The Audit Committee is headed by Mr. Pankaj Gupta, as Chairman of the Committee.

Audit Committee Composition

Mr. Pankaj Gupta - Chairman
Mr. Sanjeev Agrawal - Member
Ms. Vickky Kumari - Member

TERM OF REFERENCE

Term of Reference of Audit Committee cover all the areas mentioned under Section 177 of the Companies Act, 2013 and Regulation 18 read with part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. All the members of the Committee have relevant experience in financial matters. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; reviewing and examination with management the quarterly financial results before submission to the Board, the annual financial statements before submission to the Board and the Auditors' Report thereon, management discussion and analysis of financial condition and results of operations, scrutiny of inter-corporate loans and investments made by the Company, reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company, approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate, recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services; reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors; discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any; reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems; recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company; reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues; evaluating internal financial controls and risk management systems; valuating undertaking or assets of the Company, wherever it is necessary; reviewing

the functioning of the Whistle Blowing Mechanism; The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder.

The recommendations of audit committee were duly approved and accepted by the Board.

The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board.

The Audit Committee met Four times during the Financial Year ended 31st March, 2020: i.e. 29th May, 2019 on 12th August, 2019, 14th November, 2019 and 13th February, 2020.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises;

Nomination Committee composition

Ms. Vickky Kumari - Chairperson
Mr. Sanjeev Agrawal- Member
Mr. Pankaj Gupta - Member

In terms of Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Nomination and Remuneration Committee was re-constituted and the Nomination and Remuneration Committee comprise of three Directors; all of whom are Non-Executive Directors and half of the Committee members are Independent Directors and Independent Director is acting as the Chairman of the Committee.

TERM OF REFERENCE

The role of Nomination and Remuneration Committee is as follows:

Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board; Determine/ recommend the criteria for qualifications, positive attributes and independence of Director; Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal; Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;

The Nomination Committee met One time during the Financial Year ended 31st March, 2020; i.e., 28th January, 2020.

APPOINTMENT AND TENURE

The Directors of the Company are appointed by members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Agreement.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

BOARD EVALUATION

The participation, attendance and contribution of Independent Directors not only during the proceeding of meeting but also beyond meeting hours were appreciated. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth even during

these difficult business environment. The overall outcome from the evaluation was that the Board and its individual directors were performing effectively.

LIMIT ON THE NUMBER OF DIRECTORSHIPS

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he/she is serving as a Whole-Time Director in any Listed Company, does not hold such position in more than three Listed Companies.

SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Name | Designation | No. of Shares Held AS ON 31.03.2020 |
|---------------------|------------------------|--|
| Mr. Sanjeev Agrawal | Non Executive Director | 420500 (42.05 %) |
| Ms. Vickky Kumari | Independent Director | NIL |
| Mr. Pankaj Gupta | Independent Director | NIL |
| Mr. Nishant Goyal | Executive Director | NIL |

REMUNERATION TO DIRECTORS: (criteria of making payments to non-executive directors)

The Non Executive Directors and Whole Time Director does not receive sitting fee for attending meeting of Board and its Committee. None of the Directors had any pecuniary relationship or transaction with the Company during the year.

DIRECTORS' ATTENDANCE RECORD

The following table shows attendance of Directors at the Board and Committee meeting(s) for the year ended 31st March, 2020. Attendance is presented as number of meeting(s) attended, (including meetings attended through electronic mode) out of the number of meeting(s) required to be attended.

| Name | Board Meeting | Audit Committee | Nomination and Remuneration Committee | Separate meeting of Independent Directors 13.02.2020 | Whether attended AGM 2020 |
|---------------------|----------------------|------------------------|--|---|----------------------------------|
| Mr. Sanjeev Agrawal | 6 of 6 | 4 of 4 | 1 of 1 | NA | YES |
| Mr. Nishant Goyal | 6 of 6 | NA | NA | NA | YES |
| Mr. Pankaj Gupta | 6 of 6 | 4 of 4 | 1 of 1 | YES | YES |
| Ms. Vickky Kumari | 6 of 6 | 4 of 4 | 1 of 1 | YES | YES |

ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

During the reporting period, the Company has prepared its Financial Statements as per IND AS.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

In accordance with the requirement of Corporate Governance, the Board of Directors of the Company has formulated a code of conduct for Directors and Senior Management of the Company, the Compliance of which have been affirmed by all Board Members and Senior Management of the Company.

DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN LISTING REGULATIONS

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

FIRL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

COMPLIANCE WITH MANDATORY REQUIREMENTS AND NON MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements of the Listing Regulations. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed is submitted with the Stock Exchanges where the shares of the Company are listed.

ADOPTION OF DISCRETIONARY REQUIREMENTS

- 1) Maintenance of the Chairman's Office: NA
- 2) Modified opinion(s) in Audit Report: The Auditors have raised no qualifications on the financial statements of the Company.
- 3) Reporting of Internal Auditors: The Internal Auditors of the Company report directly to the Audit Committee. The Company is also in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015. Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31st March 2021.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the approval from the Ministry of Corporate Affairs (MCA), the Institute of Company Secretaries of India (ICSI) has, on 14 June 2017, revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 October 2017. The Company is compliant with the same. The Company has complied with each one of them.

DETAILS OF COMPLAINTS RECEIVED FROM SHAREHOLDERS:

| | |
|---|-----|
| No. of Complaints Remaining unresolved as on 01.04.2019 | NIL |
| No. of Complaints received during the year | NIL |
| No. of Complaints resolved during the year | NIL |
| No. of complaints unresolved as on 31.03.2020 | NIL |

INSIDER TRADING CODE:

The Company has in place an Insider Trading Code for compliance with the Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

DISCLOSURE ON WEBSITE: The following information has been disseminated on the website of the Company at www.firl.co.in; 1. Details of business of the Company 2. Terms and conditions of appointment of Independent Directors 3. Composition of various Committees of Board of Directors 4. Code of Conduct for Board of Directors and Senior Management Personnel 5. Details of establishment of vigil mechanism/Whistle Blower policy 6. Criteria of making payments to Non-Executive Directors 7. Policy on dealing with Related Party Transactions 8. Policy for determining material subsidiaries 9. Details of familiarization programmes imparted to Independent Directors 10. Policy for determination of materiality of events.

POLICIES OF THE COMPANY

The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 mandated the formulation of certain policies. All our Corporate Governance policies are available on our website, which are reviewed periodically by the Board and updated based on need and new compliance requirement. In addition to the code of conducts and ethics, key policies that have been adopted by the Company are as follows;

| NAME OF THE POLICY | BRIEF DESCRIPTION | WEBLINK |
|--|---|---|
| WHISTLE BLOWER MECHANISM(POLICY ON VIGIL MECHANISM) | The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. Employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Code of Business Principles and the Whistle Blower Policy of the Company, are reported to the Committee of Executive Directors and are subject to the review of the Audit Committee. | http://www.firl.co.in/investors |
| NOMINATION AND REMUNERATION POLICY | This policy formulates the criteria for determining qualifications, competencies, positive attitudes and independence for the appointment of Director(Executive/Non Executive) and also for determining remuneration of Directors and Key Managerial Personnel | http://www.firl.co.in/investors |
| POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS | The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. | http://www.firl.co.in/investors |
| DOCUMENT PRESERVATION POLICY | This policy attempts to preserve and maintain documents of the Organization. In order to preserve such documents, the Company needs to implement a well-considered, well-documented plan to ensure that they remain in good condition over a period of time. | http://www.firl.co.in/investors |
| POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENT | The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality. | http://www.firl.co.in/investors |
| ARCHIVES MANAGEMENT POLICY | The purpose of this policy is to establish the framework needed for effective records management at FIRL. This policy provides advice to FIRL employees on the creation and use of records, and sets standards for classifying, managing and storing those records. It therefore provides a framework for the management of information consistent with the Strategic Plan. | http://www.firl.co.in/investors |
| INSIDER TRADING CODE: | The Company has in place an Insider Trading Code for compliance with the Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for dealing with the | http://www.firl.co.in/investors |

| | | |
|---|--|---|
| | Securities of the Company | |
| FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION | The company has adopted a "Fair Disclosure of Unpublished Price Sensitive Information" SEBI has vide notification dated December 31, 2018, amended SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1 st April, 2019. | http://www.firl.co.in/investors |

PREVENTION OF SEXUAL HARRASMENT AT WORKPLACE:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaints with allegations of sexual harassment were filed with the Company and the same were investigated.

The following is a report pursuant to section 22 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

1. No. of complaints of sexual harassment received during the year- **NIL**
2. No. of complaints disposed off during the year-**NIL**
3. No. of cases pending for more than 90 days- **NIL**
4. Nature of action taken by the employer-**NIL**

WHISTLE-BLOWER POLICY / VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and in line with the best international Governance practices, FIRL has established a system through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's Code of Conduct without fear of reprisal. The Company has set up a Direct initiative, under which all Directors, employees / business associates have direct access to the Chairman of the Audit Committee, and also to a three-member team established for this purpose.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.firl.co.in.

FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The company adopts the policy for any information relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the financial results, dividends, change in capital structure; mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions, changes in key managerial personnel.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

| Financial year ended | Venue | Date & Time | Special Passed Resolution |
|------------------------------|--|------------------------|---------------------------|
| 31 st March, 2019 | 25, Bazar Lane, Bengali Market, New Delhi-110001 | 26.09.2019 02.00 PM | YES |
| 31 st March, 2018 | 25, Bazar Lane, Bengali Market, New Delhi-110001 | 25.09.2018 10.30 AM | NA |
| 31 st March, 2017 | 153/1, Nirankari Colony, Delhi-110009 | 10.07.2017 10.00 AM | NA |

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

MEANS OF COMMUNICATION

Quarterly Financial Results: Quarterly financial results are circulated to the Stock Exchange Limited, 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; Naya India and Financial Express. The quarterly approved results are displayed on website of Stock Exchange and on the website of the Company i.e., <http://www.firl.co.in/investors>.

GENERAL SHAREHOLDERS' INFORMATION

AGM FOR FINANCIAL YEAR 2019-20

| | |
|----------------------|---|
| Date and Time | 26th September, 2019 |
| Venue | 25, Bazaar Lane, Bengali Market, New Delhi-110001 |
| Time | 02.00PM |

PLEDGE OF SHARES:

No pledge has been created over the Equity Shares held by the promoters as on 31st March, 2020. The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

| Name & Address of the Stock Exchanges | Stock Code/Scrip Code | ISIN Number for NSDL/CDSL (Dematerialized share) |
|--|------------------------------|---|
| Metropolitan Stock Exchange of India Limited (MSEI) Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, BandraKurla Complex, Bandra (E), Mumbai - 400 098, India | SCRIP CODE:FIRL | ISIN: INE510L01017 |

CALENDAR OF FINANCIAL YEAR ENDED 31stMARCH, 2019

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2019 were held on the following date:

| | |
|--|--|
| First Quarter Results | 29 st May, 2019 |
| Second Quarter and Half yearly Results | 14 th November, 2019 |
| Third Quarter Results | 13 th February, 2020 |
| Fourth Quarter and Annual Results | 30 th July, 2020 |
| Book Closure date | 23 rd September, 2020 to 29 th September, 2020 |
| Cut Off date | 22 nd September, 2020 |
| E voting | 26.09.2020 - 09.00 A.M. to 28.09.2020 - 05.00 P.M. |
| Scrutinizer for E Voting | M/s Vimal Chadha & Associates |

ADDRESS FOR CORRESPONDENCE

All communication regarding share transactions, changes in address, bank mandates, nomination etc. should be addressed to Registrar and Share Transfer Agents of the Company.

| | |
|--|---|
| Ms. Bharti Registered Office: 25, bazaar Lane, Bengali Market, New Delhi-11001 Tel. No.: 011-43585000; Fax: 011-43585015 E-mail: firl.nbfc@gmail.com | Registrar and Transfer Agent: MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph: - 26387281/82/83 Email: - info@masserv.com Website: www.masserv.com Fax :- 26387384 |
|--|---|

Market Information

SHARE TRANSFER SYSTEM

All share transfer and other communications regarding share certificates, change of address, etc should be addressed to Registrar and Transfer Agents. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Trading in equity shares of the Company in dematerialized form became mandatory from May 31, 1999. To facilitate trading in de-mat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). FIRC has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

The Company's shares are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent.

NOMINATION FACILITY FOR SHAREHOLDING

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

PERMANENT ACCOUNT NUMBER (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2020, is given.

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.

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. There were no instances of non compliances with the Company or any penalties or strictures imposed on the Company by Stock Exchange or SEBI.

MATERIAL CONTRACTS/TRANSACTIONS CONCERNING DIRECTOR'S INTEREST

There has been no transaction of material, financial and commercial nature that may have a potential conflict with the interest of your Company during the period under review.

DETAILS REGARDING SENIOR MANAGERIAL PERSONNEL'S MATERIAL FINANCIAL AND COMMERCIAL TRANSACTIONS

There has been no transaction of material, financial and commercial nature having personal interest of the senior management that may have a potential conflict with the interest of the Company at large during the period under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

NIL. No presentations were made to institutional investors and analysts during the year. There have been no public issues, right issues or other public offering during the year.

Distribution of Shareholding as on March 31, 2020: BY SIZE

| No. of Shares held | Shareholders | | Shares Held | |
|--------------------|--------------|-------------|----------------|---------------|
| | Numbers | %age | Numbers | %age |
| Upto 5000 | 75 | 72.82% | 46500 | 4.65 |
| 5001-10000 | 20 | 19.41% | 142800 | 14.28 |
| 10001 & Above | 8 | 7.77% | 810700 | 81.07 |
| Total | 103 | 100% | 1000000 | 100.00 |

Top Ten Shareholders as on 31st March, 2020

| Sr. No. | Name of the shareholders | No. of Shares | % of Capital |
|---------|--------------------------------------|---------------|---------------|
| 1. | Mr. Mukesh Aggarwal | 69200 | 6.92 |
| 2. | Sapbelle Trade Links Private Limited | 48000 | 4.80 |
| 3. | Om Prakash Verma | 47000 | 4.70 |
| 4. | Ashok Saxena | 15000 | 1.50 |
| 5. | Jeewan Das | 9800 | 0.98 |
| 6. | Mohit | 8800 | 0.88 |
| | Hukumchand | 8800 | 0.88 |
| 7. | Rakesh | 8700 | 0.87 |
| 8. | Darshan Kumar | 8600 | 0.86 |
| 9. | Radhey Shyam | 7800 | 0.78 |
| 10. | Davinder Kapill | 7500 | 0.75 |
| | Total | 239200 | 23.92% |

Categories of Shareholder as on: 31st March, 2020

| S. NO. | CATEGORY | NO. OF SHAREHOLDERS | NO. OF SHARES HELD | % OF SHAREHOLDING |
|--------|---|---------------------|--------------------|-------------------|
| 1. | Promoter company | NIL | NIL | NIL |
| 2. | Promoter Individual/HUF | 3 | 616300 | 61.63 |
| 3. | Directors | NIL | NIL | NIL |
| 4. | Directors relative | NIL | NIL | NIL |
| 5. | Mutual fund | NIL | NIL | NIL |
| 6. | Foreign institutional investors | NIL | NIL | NIL |
| 7. | Financial institutions | NIL | NIL | NIL |
| 8. | Central govt./state govt. | NIL | NIL | NIL |
| 9. | NRI | NIL | NIL | NIL |
| 10. | Banks | NIL | NIL | NIL |
| 11. | Resident Individuals | | | |
| | holding nominal share capital upto Rs. 1 lakh | 99 | 189300 | 18.93 |
| | holding nominal share capital in excess of Rs. 1 lakh | | 146400 | 14.61 |
| 12. | Overseas Body Corporate | NIL | NIL | NIL |
| 13. | Trust | NIL | NIL | NIL |
| 14. | Others | 1 | 48000 | 4.80 |
| | TOTAL | 103 | 1000000 | 100.00 |

For and on behalf of Board
Fortune Industrial Resources Limited

Date: 03-09-2020
Place: New Delhi

Nishant Goyal
Whole-time Director
DIN: 08153024

Vickky Kumari
Director
DIN: 08248219

CERTIFICATE ON CORPORATE GOVERNANCE

The Members

Fortune Industrial Resources Limited

1. This certificate is issued in accordance with our engagement with the company.
2. This certificate contains details of compliance of conditions of corporate governance by Fortune Industrial Resources Limited ("the Company") for the financial year ended 31st March, 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock exchanges.

MANAGEMENT'S RESPONSIBILITY FOR COMPLIANCE WITH THE CONDITIONS OF LISTING REGULATIONS

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

AUDITOR'S RESPONSIBILITY

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the financial year ended 31st March, 2020.
6. We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

OPINION

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

9. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Bhala & Bhala
Chartered Accountants
FRN No.:021008N**

Place: New Delhi
Date: 03.09.2020

**Ashish Bhala
Partner
M.No.:508902**

ANNUAL CERTIFICATE UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015

To,

The Members

Fortune Industrial resources Limited

25, Bazar Lane, Bengali Market, New Delhi-110001

In accordance with Regulation 34(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015, I hereby confirm that, all the directors and Senior Management personnel of the Company have affirmed compliance with the respective code of conducts, as applicable to them, for the financial year ended March 31, 2020.

By and on behalf of Board

For **Fortune Industrial Resources Ltd.**

Nishant Goyal

Whole Time Director

DIN:08153024

Place: New Delhi

Dated: 03th September, 2020

CEO AND CFO CERTIFICATION

To,

The Members**Fortune Industrial Resources Ltd.****25, Bazar Lane, Bengali****Market, New Delhi-110001**

In accordance with Regulation 17(8) of SEBI(Listing Obligation and Disclosure Requirement)Regulation, 2015, we hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2020 and based on our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain any 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 the existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibilities for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated whatever applicable to the Auditor and Audit Committee.
- i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies made during the year and that the same has 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 significant role in the Company's internal control system over financial reporting.

For **Fortune Industrial Resources Limited**

Nishant Goyal
Whole Time Director
DIN:08153024

Umesh Kumar Gupta
Chief Financial Officer (CFO)
PAN: AHYPG9308A

Dated: 03th September, 2020

Place: New Delhi

ARVIND KUSHWAHA & ASSOCIATES

COMPANY SECRETARIES

CA/3C Janta Flats, Hari Nagar,
Sardar Kulwant Singh Marg, Delhi-110064
MOBILE: 8744058500
Email: csarvind500@gmail.com



**Form No. MR-3
Secretarial Audit
Report**

For the financial year ended March 31, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules,
2014]

To,

The Members,

Fortune Industrial Resources Limited

25, Bazar Lane, Bengali Market New Delhi 110001

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Fortune Industrial Resources Limited** (hereinafter called the Company) for the Financial Year ended 31st March, 2020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Fortune Industrial Resources Limited** (hereinafter called the Company) for the Financial Year 2019-20. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Opinion

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020**,

complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;**
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - effective from May 15, 2015;
 - d) Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in relation to Employee Stock Option Scheme;
 - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) Securities and Exchange Board of India (Delisting of Equity Shares) regulations, 2009; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Limited.
- iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - effective from December 1, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation obtained from the management of the Company and based on the report received, there has been due compliance with the laws and regulation as applicable to the Company.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

Based on Information received & records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

We further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Arvind Kushwaha &
Associates Company Secretaries**

**Arvind Kumar Kushwaha
Proprietor**

C.P. No.45635

ACS M. No. 16758

**Place: New Delhi
Date: 03 August
2020**

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms integral part of this report.

To,

The Members,

Fortune Industrial Resources Limited

25, Bazar lane, Bengali Market, New Delhi 110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as we were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. We have not checked the compliances of general law applicable to the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Arvind Kushwaha &
Associates Company
Secretaries**

**Arvind Kumar
Kushwaha
Proprietor**

**C.P. No.45635
ACS M. No. 16758**

**Place: New
Delhi**

**Date: 03
August, 2020**

Annexure- VII

**SECRETARIAL COMPLAINT REPORT OF FORTUNE INDUSTRIAL RESOURCES LIMITED FOR THE YEAR ENDED
31ST MARCH, 2020**

(Pursuant to SEBI CIR/CFD/CMD1/27/2019 dated February 08, 2019)

I have examined :-

- a) All the documents and records made available to us and explanation provided by **Fortune Industrial Resources Limited** ("the listed Entity")
- b) The filings/submission made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provision of:
 - (a) The securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there-under; and
 - (b) The Securities Contracts (Regulation) Act, 1956, ("SCRA"), rules made there under and the regulations, circulars, guidelines issued there-under by the Securities and Exchange Board of India ("SEBI")

The Specific Regulations, whose provisions and the circulars/guidelines issued there-under have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable during the review Period.**
- c) Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers)-
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, - **Not Applicable during the review Period**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 - **Not Applicable during the review Period.**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- **Not Applicable during the review Period**
- g) Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable during the review period.**
- h) Securities and Exchange Board of India (Prohibition of insider Trading regulations, 2015
- i) and circulars/guidelines issued there-under from time to time.

And based on the above examination, I hereby report that, during the Review Period:-

- a) The listed entity has complied with the provisions of the above regulations and circulars/guideline issued there-under, except in respect of matters specified below:-

| S No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Deviations | Observations/Remarks of the Practicing company Secretary |
|-------|---|---------------|--|
| | NIL | No Deviations | NIL |

- b) The listed entity has maintained proper records under the provision of the above regulations and circulars/ guidelines issued there – under in so far as it appears from our examination of those records.

- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by stock Exchange (including under the standard Operating Procedure issued by SEBI through various circulars) under the Aforesaid Acts/ regulations and circulars / guidelines issued there-under:

| Sr. no. | Action taken by | Details of Violation | Detail of action taken | Observations/remarks of the practicing company secretary |
|---------|-----------------|----------------------|------------------------|--|
| | NIL | | | |

- (d) Actions taken by the Company to comply with the Observations made in previous reports: **Not applicable** as this being the first year of reporting under the relevant circulars.

For **Vimal Chadha & Associates**
Company Secretaries

Dated : 30-08-2020
Place : New Delhi

CS Vimal Chadha
Practicing Company Secretary
COP. No.: 18669
Membership No F-5758

ANNEXURE-VIII**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014;**

| | Requirement of Rule 5(1) | Details |
|--------|---|---|
| (i) | the ratio of remuneration of each director to the median remuneration of each employees of the Company for the financial year; | Mr. Sanjeev Agrawal-NA Mr. Pankaj Gupta-NA Mrs. Puja Sharma- NA Mrs. Vickky Kumari- NA |
| (ii) | The percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | Mr. Sanjeev Agrawal-NA Mr. Pankaj Gupta-NA Mrs. Puja Sharma- NA Mr. Umesh Kumar Gupta-NA Ms. Bharti- NA Mr. Deepak K Jha- NA |
| (iii) | The percentage increase in the median remuneration of employees in the financial year; | NA |
| (iv) | No. of permanent employees on the rolls of the Company | Mr. Umesh Kumar Gupta Mr. Deepak K Jha (resigned w.e.f., 31.10.2019) Ms. Bharti (Joined w.e.f., 28.01.2020) |
| (viii) | Average percentile increase already made in the salaries of employees of the Company other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration | Salary increase of non managerial personnel- NA Salary increase of managerial personnel- NA There are no exceptional circumstances in increase in managerial personnel. Management person have availed of leave encashment during the year. |
| (X) | The Key parameters for any variable component of remuneration availed by the directors | There are no variable component in the Managing Director's Remuneration. |
| (xii) | Affirmation that remuneration is as per the policy of the Company | Remuneration paid during the year ended 31.03.2020 is as per the remuneration policy of the Company. |

For and on behalf of Board
Fortune Industrial Resources Limited

Date: 03-09-2020
Place: New Delhi

Nishant Goyal
Whole-time Director
DIN: 08153024

Vickky Kumari
Director
DIN: 08248219

ANNEXURE-IX

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have given declaration that they undertake that they shall seek prior approval of the Board if and when they have any such relationship/ transactions, whether material or non-material. If they fail to do so they shall cease to be an Independent Director from the date of entering in to such relationship/ transactions.

Further, they do hereby declare and confirm that the information furnished in the declaration under Section 149 of the Companies Act, 2013 is true and correct to the best of their knowledge and they shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

They further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

For and on behalf of Board
Fortune Industrial Resources Limited

Date: 03-09-2020
Place: New Delhi

Nishant Goyal
Whole-time Director
DIN: 08153024

Vicky Kumari
Director
DIN: 08248219

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FORTUNE INDUSTRIAL RESOURCES LIMITED**

**REPORT ON THE AUDIT OF THE STANDALONE Ind AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

1. Opinion

- A. We have audited the accompanying Standalone Ind AS Financial Statements of **Fortune Industrial Resources Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no matter which is required to be described as key audit matter to be communicated in our report

4. Other Matter

The comparative financial information of the Company for the year ended 31st March, 2019 and the transition date opening balance sheet as at 1st April, 2018 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us/the predecessor auditors, whose audit report for the year ended 31st March, 2018 and 31st March, 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

5. Management's Responsibility for the Standalone Ind AS Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation .

- C. Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in **Annexure "B"**.

3. As required by Section 143(3) of the Act, based on our audit we report that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- D. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the

Companies (Accounts) Rules, 2014.

- E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure C”**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. (Refer Note No.21
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

FOR Bhala & Bhala
Chartered Accountants
FRN 021008N

Ashish Bhala
Partner
M. NO. 508902
UDIN:

PLACE : NEW DELHI
DATE : July 30, 2020

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure "A" referred to in paragraph (II) 2 of our report of even date to the members of **Fortune Industrial Resources Limited** on the Standalone Ind AS Financial Statements for the year ended 31st March, 2020.

- i) In respect of Company's Fixed Assets
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency and manner of physical verification is reasonable, having regard to the size of the Company and nature of its business.
 - (c) Title deeds of immovable properties of the company are held in the name of the Company.
- ii) The company is a Non Banking Finance Company, and accordingly does not hold any inventory. Thus, the Companies (Auditor's Report) Order, 2016 is not applicable.
- iii) According to the information and explanations given to us, the Company has, during the year not granted any loans, secured or unsecured to companies, firm, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv) According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of investments.
- v) The Company has not accepted any deposits during the year and therefore, the provision of the clause 3(v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the Companies Act 2013 in respect of services rendered by the company. Accordingly, Clause 3(vi) of the Order is not applicable to the company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST), Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There is no undisputed amount payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax (GST), Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for the period of more than six months from the date they become payable except the below

| Name of the Statute | Nature of Dues | Period | Demand in Dispute | Amount Deposited | Pending at |
|----------------------|----------------|------------|-------------------|------------------|------------------------|
| Income Tax Act, 1961 | Income tax | AY 2011-12 | Rs 4,88,38,700 | 41,57,686 | CIT(A)-XXVI, New Delhi |

- (c) According to the records and information and explanation given to us and the records examined by us of the Company, there were no dues in respect of Sales Tax, Service Tax, Goods & Service Tax (GST), Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues which have not been deposited on account of disputes.
- viii) The Company has not taken any term loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (Including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or no material fraud on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 177 and 188 of the Companies Act, 2013 wherever applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non- cash transactions with its Directors or persons connected to its directors and provisions of section 192 of the Companies Act, 2013 are applicable to the Company.

- xvi) The Company is registered under section 45-1A of the Reserve Bank of India Act, 1934 .

**FOR Bhala & Bhala
Chartered Accountants
FRN 021008N**

**Ashish Bhala
Partner
M. NO. 508902
UDIN:**

**PLACE : NEW DELHI
DATE : July 30, 2020**

ANNEXURE “B”

(Referred to in Para 2 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Fortune Industrial Enterprises Limited on the standalone financial statements for the year ended 31st March 2020)

| S. No. | Questionnaire | Replies |
|---------------|---|---|
| 1 | <p>Whether the company has applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), and</p> <p>whether it has received any communication from Reserve Bank of India about the grant of or refusal of certificate of registration to it, And</p> <p>whether the company has obtained a certificate of registration from the Reserve Bank of India if it is a company incorporated on or after January 9, 1997</p> | <p>As per the information and explanation given to us and relied upon by us, the company has been of registered as a Non – Banking Financial Company under the provisions of the Reserve Bank of India Act, 1934 and has obtained a certificate of registration No. B14 – 01702 dated April 28, 2000 from the Reserve Bank of India in terms of Section 45IA.</p> |
| 2 | <p>Whether the Board of Directors has passed a resolution for the non acceptance of any public deposits.</p> | <p>As per the information and explanation given to us and relied upon by us, the board of directors of the company has passed a resolution for non-acceptance of public deposits.</p> |
| 3 | <p>Whether the company has accepted any public deposits during the relevant period/year</p> | <p>As per the information and explanation given to us and relied upon by us, the company has not accepted any deposits from the public during the FY 2019-20.</p> |
| 4 | <p>Whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.</p> | <p>As per the information and explanation given to us and relied upon by us, the company has complied with the provisions of prudential norms relating to the income recognition, assets classification, accounting standards and provisioning for bad and doubtful debts, to the extent applicable, during the FY ended March 31, 2020</p> |

The other matters stated in paragraph 3 of the directions are not applicable in the case of the company.

**FOR Bhala & Bhala
Chartered Accountants
FRN 021008N**

**Ashish Bhala
Partner
M. NO. 508902
UDIN:**

PLACE : NEW DELHI

DATE : July 30, 2020

ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF FORTUNE INDUSTRIAL RESOURCES LIMITED

(Referred to in paragraph (II 1F) under ‘Report on other Legal and Regulatory Requirements’ of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **Fortune Industrial Resources Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to Obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

**FOR Bhala & Bhala
Chartered Accountants
FRN 021008N**

**Ashish Bhala
Partner
M. NO. 508902
UDIN:**

**PLACE : NEW DELHI
DATE : July 30, 2020**

FORTUNE INDUSTRIAL RESOURCES LIMITED

CIN:L51503DL1986PLC024329

Balance Sheet as at March 31, 2020

| Particulars | Note No | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|---|---------|----------------------|----------------------|---------------------|
| ASSETS | | | | |
| 1) Financial Assets | | | | |
| (a) Cash and cash equivalents | 3 | 0.41 | 9.50 | 55.14 |
| (b) Trade Receivables | 4 | 200.00 | 200.00 | 200.00 |
| (c) Loans | 5 | 215.00 | 215.00 | 219.21 |
| (d) Investments | 6 | 4,078.36 | 4,073.89 | 3,678.32 |
| (e) Other financial assets | 7 | 24.12 | 2.04 | 0.24 |
| 2) Non Financial Assets | | | | |
| (a) Current Tax Asset (Net) | 8 | - | 2.39 | 0.84 |
| (b) Deferred Tax Asset (Net) | | - | - | - |
| (c) Investment Property | 9 | 6.48 | 6.48 | 6.48 |
| (d) Other Non financial assets | 10 | 41.58 | 41.58 | 41.58 |
| Total Assets | | 4,565.95 | 4,550.88 | 4,201.81 |
| Liabilities | | | | |
| 1) Financial Liabilities | | | | |
| (a) Trade Payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - | 0.34 |
| (b) Other Financial Liabilities | 11 | 422.37 | 396.50 | 359.21 |
| 2) Non Financial Liabilities | | | | |
| (a) Current Tax Liability (Net) | 8 | 3.51 | - | - |
| (b) Deferred Tax Liability | 12 | 1,018.29 | 1,016.60 | 901.65 |
| (c) Other Non Financial Liabilities | 13 | 1.87 | 0.18 | 113.36 |
| Total Liabilities | | 1,446.03 | 1,413.28 | 1,374.56 |
| Equity | | | | |
| Equity Share Capital | 14 | 100.00 | 100.00 | 100.00 |
| Other Equity | 15 | 3,019.92 | 3,037.60 | 2,727.25 |
| Total Equity | | 3,119.92 | 3,137.60 | 2,827.25 |
| Total Liabilities and Equity | | 4,565.95 | 4,550.88 | 4,201.81 |

Summary of significant accounting policies (1-2)

The accompanying notes are an integral part of the financial statements (21-35)

As per our report of even date

For Bhala & Bhala,

Chartered Accountants

Firm Registration Number : 021008N

For and on Behalf of the Board

For Fortune Industrial Resources Limited**Ashish Bhala**

(Partner)

M.No :508902**Nishant Goyal**

(Whole Time Director)

DIN : 08153024**Sanjeev Agarwal**

(Director)

DIN:00282059**Bharti**

(Company Secretary)

M No.A34492**Umesh Kumar Gupta**

(CFO)

Place : Delhi

Date :30.07.2020

FORTUNE INDUSTRIAL RESOURCES LIMITED

CIN:L51503DL1986PLC024329

Statement of Profit and Loss for the year ended March 31, 2020

| Particulars | Note no. | For the period March 31,2020 | For the period March 31,2019 |
|---|----------|---------------------------------|---------------------------------|
| I Revenue from operations | | | |
| Interest Income | 16 | 22.21 | 26.95 |
| Rental Income | | - | 1.80 |
| Net Gain arising on Investments designated as at FVTPL | | 7.30 | 4.34 |
| Total | | 29.51 | 33.09 |
| II Other Income | 17 | 0.15 | - |
| III Total Income (I +II) | | 29.66 | 33.09 |
| IV Expenses | | | |
| Employee benefit expense | 18 | 5.11 | 9.00 |
| Other expense | 19 | 6.76 | 13.27 |
| Finance Cost | 20 | 26.14 | 24.43 |
| Loss on sale of mutual fund | | 2.83 | - |
| Total expenses (IV) | | 40.84 | 46.70 |
| V Profit/ (loss) before exceptional items and tax (III-IV) | | -11.18 | -13.61 |
| VI Exceptional items | | - | - |
| VII Profit/ (loss) before tax (V-VI) | | -11.18 | -13.61 |
| VIII Tax expense | | | |
| a) Current Tax | | 5.73 | 1.15 |
| b) Deferred Tax | | 1.69 | 1.64 |
| IX Profit/ (loss) for the period (VII-VIII) | | -18.60 | -16.40 |
| X Other Comprehensive Income/(Loss) | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a)Equity instruments through other comprehensive income | | - | 440.06 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | -113.32 |
| XI Total comprehensive income for the period (X+XI) | | -18.60 | 310.35 |
| XII Earnings per share | 25 | | |
| a) Basic | | -1.86 | -1.64 |
| b) Diluted | | -1.86 | -1.64 |
| Summary of significant accounting policies | (1-2) | | |
| The accompanying notes are an integral part of the financial statements | (21-35) | | |

As per our report of even date
For Bhala & Bhala,
Chartered Accountants
Firm Registration Number : 021008N

For and on Behalf of the Board
For Fortune Industrial Resources Limited

Ashish Bhala
(Partner)
M.No :508902

Nishant Goyal
(Whole Time Director)
DIN : 08153024

Sanjeev Agarwal
(Director)
DIN:00282059

Bharti
(Company Secretary)
M No.A34492

Umesh Kumar Gupta
(CFO)

Place : Delhi
Date :30.07.2020

FORTUNE INDUSTRIAL RESOURCES LIMITED

CIN:L51503DL1986PLC024329

Standalone Cash Flow Statement for the year ended March 31, 2020

| Particular | Year ended March 31,2020 | Year ended March 31,2019 |
|---|-----------------------------|-----------------------------|
| Cash flows from Operating Activities | | |
| Profit Before Tax | -11.18 | -13.61 |
| Adjustments for: | | |
| Net Loss/(gain) arising on investments measured at FVTPL | -7.30 | -4.34 |
| Loss/(gain) on sale of mutual fund | 2.83 | - |
| Operating Profit before working capital changes | -15.66 | -17.95 |
| Changes in Working Capital: | | |
| Adjustments for (increase)/decrease in operating assets | | |
| Loans | - | 4.21 |
| Other financial assets | -22.08 | -1.80 |
| Other current asset & non current assets | - | - |
| Adjustments for increase/(decrease) in operating liabilities | | |
| Trade payables | - | -0.34 |
| Other current liabilities | 25.87 | 37.29 |
| Other non-financial liabilities | 1.69 | -113.18 |
| Cash generated from operations | (10) | (92) |
| Income tax paid | 1.09 | -2.70 |
| Net cash flow from Operating Activities (A) | -9.09 | -94.47 |
| Cash flows from Investing Activities | | |
| Proceeds from sale of Investments | - | 48.83 |
| Interest received | - | - |
| Net cash flow from / (used in) Investing Activities (B) | - | 48.83 |
| Cash flows from Financing Activities | | |
| Repayments of other than short term borrowings | - | - |
| Increase/(decrease) in short term borrowings | - | - |
| Net cash flow from/(used in) Financing Activities (C) | - | - |
| Net increase / (decrease) in Cash and Cash Equivalents (A+B+C) | -9.09 | -45.64 |
| Cash and Cash equivalents at the beginning of year | 9.50 | 55.14 |
| Cash and Cash equivalents at the end of the year | 0.41 | 9.50 |

Summary of significant accounting policies

(1-2)

The accompanying notes are an integral part of the financial statements

(21-35)

As per our report of even date

For Bhala & Bhala,

Chartered Accountants

Firm Registration Number : 021008N

For and on Behalf of the Board

For Fortune Industrial Resources Limited**Ashish Bhala**

(Partner)

M.No :508902**Nishant Goyal**

(Whole Time Director)

DIN : 08153024**Sanjeev Agarwal**

(Director)

DIN:00282059**Bharti**

(Company Secretary)

M No.A34492**Umesh Kumar Gupta**

(CFO)

Place : Delhi

Date :30.07.2020

FORTUNE INDUSTRIAL RESOURCES LIMITED

CIN:L51503DL1986PLC024329

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

| Particulars | No. of Shares | Amount (in Rs) |
|--|---------------|----------------|
| Balance as at April 01, 2018 | 10,00,000 | 100.00 |
| Changes in Share Capital during the year | - | - |
| Balance as at March 31, 2019 | 10,00,000 | 100.00 |
| Changes in Share Capital during the year | - | - |
| Balance as at March 31, 2020 | 10,00,000 | 100.00 |

B. Other Equity

| Particulars | Reserve and Surplus | | | | Items of Other Comprehensive Income | Equity Component of | Total |
|---|----------------------|--------------------|--|-------------------|-------------------------------------|---|----------|
| | Special Reserve Fund | Securities Premium | Contingent Provision against Standard Assets | Retained Earnings | Equity instruments | Redeemable Preference Share Capital (Net of Deferred Tax) | |
| Balance as at April 01, 2018 | 37.18 | 404.55 | 0.55 | 2,280.43 | - | 4.55 | 2,727.25 |
| Transfer to Special Reserve fund | 0.66 | - | - | -0.66 | - | - | - |
| Transfer to Standard Asset Reserve | - | - | -0.01 | 0.01 | - | - | - |
| Profit for the year | - | - | - | -16.40 | - | - | -16.40 |
| Fair value of equity instruments | - | - | - | - | 440.06 | - | 440.06 |
| Income Tax relating to above item | - | - | - | - | -113.32 | - | -113.32 |
| Balance as at March 31, 2019 | 37.84 | 404.55 | 0.54 | 2,263.38 | 326.75 | 4.55 | 3,037.60 |
| Transfer to Special Reserve Fund | 3.27 | - | - | -3.27 | - | - | - |
| Reversal of excess income tax provision | - | - | - | 0.92 | - | - | 0.92 |
| Profit for the year | - | - | - | -18.60 | - | - | -18.60 |
| Other adjustments | - | - | - | - | - | - | - |
| Balance as at March 31, 2020 | 41.11 | 404.55 | 0.54 | 2,242.43 | 326.75 | 4.55 | 3,019.92 |

Summary of significant accounting policies (1-2)

The accompanying notes are an integral part of the financial statements (21-35)

As per our report of even date
For Bhala & Bhala,
Chartered Accountants
Firm Registration Number : 021008N

For and on Behalf of the Board
For Fortune Industrial Resources Limited

Ashish Bhala
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DIN:00282059

Bharti
(Company Secretary)
M No.A34492

Umesh Kumar Gupta
(CFO)

Place : Delhi
Date :30.07.2020

Details relating to Preference Share Capital
Amount in Lacs

| Particulars | As at | March | As at | As at |
|---|----------|--------------|----------------|----------------|
| | 31, 2020 | | March 31, 2019 | April 01, 2018 |
| Authorised | | | | |
| 1,00,000 Preference Shares of Rs 10/-each. | | 10.00 | 10.00 | 10.00 |
| Issued, Subscribed & Fully Paid up | | | | |
| 1,00,000 Preference Shares of Rs 10/-each. | | 10.00 | 10.00 | 10.00 |
| Total | | 10.00 | 10.00 | 10.00 |

(a) Reconciliation of shares outstanding at the beginning and at end of the year:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | | As at April 01, 2018 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 1,00,000 | 10.00 | 1,00,000 | 10.00 | 1,00,000 | 10.00 |
| Add:- Addition during the Year | - | - | - | - | - | - |
| Less:- Deletion during the Year | - | - | - | - | - | - |
| Closing Balance | 1,00,000 | 10.00 | 1,00,000 | 10.00 | 1,00,000 | 10.00 |

(b) Terms/rights attached to Preference shares

- The Issue of 100000, Non-Convertible Redeemable Preference Shares (NCRPS) of Rs 10/- each at premium of Rs 890/- each has been made on March 31, 2011.
- The NCRPS shall confer the same voting rights as Ordinary Shares of the Company.
- NCRPS are not entitled to participate in any distributions declared in respect of Ordinary Shares.
- NCRPS rank in priority to Ordinary Shares of the Company in the event of the winding of the Company but behind any creditors of the Company
- NCRPS do not carry any interest rate
- NCRPS shall not be convertible into equity shares
- NCRPS will be unlisted securities and are freely transferable by private treaty.
- NCRPS shall be redeemable at the the end of 20 years from the date of issue .

(c) Details of Shareholders holding more than 5% Preference shares in the company

| Name of Shareholder | As at March 31, 2020 | | As at March 31, 2019 | | As at April 01, 2018 | |
|--|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
| | No. of Pref Shares | Percentage Holding | No. of Pref Shares | Percentage Holding | No. of Pref Shares | Percentage Holding |
| M/s Maksad Buidcon Private Limited Business | 55,556 | 55.56% | 55,556 | 55.56% | 55,556 | 55.56% |
| M/s Maksad Infracon Private Limited Business | 44,444 | 44.44% | 44,444 | 44.44% | 44,444 | 44.44% |
| | 1,00,000 | 100.00% | 1,00,000 | 100.00% | 1,00,000 | 100.00% |

FORTUNE INDUSTRIAL RESOURCES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2020

Summary of Significant Accounting Policies

Background

1 Corporate Information

The Fortune Industrial Resources Limited is Public Company incorporated under Companies Act, 1956 on 28th day of May 1986 having its registered office at 25 Bazar Lane, Bengali Market, New Delhi - 110001. The company is engaged in the business of Non-Banking Financial Activity (NBFC Activity) and is registered under Sec 45IA of the Reserve Bank of India Act 1934 vide its registration no B14.01702.

2 Statement of Significant Accounting Policies

2.1 Compliance with Indian Accounting Standard

The Standalone Ind AS financial statements ("financial statements") comprising of Balance Sheet, Statement of Profit & Loss, Statement of change in equity and Cash Flow Statement together with notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. For all periods upto and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements for the year ended March 31, 2020 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 01, 2018. Refer note 2.4 for the details of the first-time adoption exemptions availed by the Company. All amounts disclosed in the financial statements and notes are as per the requirement of Schedule III, unless otherwise stated.

2.2 Basis of preparation and presentation

The Financial Statements have been prepared on a historical cost convention on accrual basis, except for certain financial instruments that are measured at Fair Value

- . Derivative financial instruments
- . Defined benefit plans
- . Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Summary of significant accounting policies

a) Classification of current and non-current assets

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- . Expected to be realised or intended to sold or consumed in normal operating cycle
- . Held primarily for the purpose of trading
- . Expected to be realised within twelve months after the reporting period, or
- . Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- . It is expected to be settled in normal operating cycle
- . It is held primarily for the purpose of trading
- . It is due to be settled within twelve months after the reporting period, or
- . There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, as applicable.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

b) Fair Value Measurement

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is

Management uses valuation techniques in measuring the fair value of financial instrument where active market codes are not available. Details of assumption used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs and uses estimates and assumptions that are, as fast as possible, consistent with observable data that market participant would use in pricing the instrument where application data is not observable, management uses its best estimate about the assumption that market participant would make. These estimates may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured , regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment, excluding taxes or duties collected on behalf of the Government. It comprises Interest Income on advances given.

Dividend Income

Revenue is recognised when the entity's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the entity estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

d) Taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Income Tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Income tax expenses comprises current tax expense and net change in the deferred tax asset and liability during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred taxes are recognised in other comprehensive income or directly in equity, respectively.

e) Property, plant and equipment

On transition to Ind AS, the entity has elected to continue with the carrying value of all of the tangible assets recognised as at 1 April 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of tangible assets.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price, borrowing costs if capitalization criteria are met and any directly attributable cost of bringing the

asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on all fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) method. Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013

f) Provisions, contingent liability and contingent assets

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.
- Investment in equity of subsidiaries, joint ventures and associates are accounted and carried at cost less impairment in accordance with Ind AS 27.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow

characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. At present no financial assets fulfill this condition.
- **Fair value through profit or loss(FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

All equity investments in scope of Ind AS 109, are measured at fair value. At Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss, even on sale of investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Investment Property

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2018.

Trade Receivables

These amounts represent amount receivable against sale of shares. The amounts are unsecured and are usually paid within the operating cycle of the business. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

h) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the operating cycle of the business. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments

k) Investments in Subsidiaries, joint Ventures, Associates & other Group Companies

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Investment carried at cost will be tested for impairment as per Ind AS 36.

l) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

-the profit attributable to owners of the Company

-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Provisions

A provision is recognized when the Company has a present obligation (Legal or Constructive) as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

2.4 First time adoption of Ind AS

The Company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (Previous GAAP) for and including the year ended March 31, 2019. The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31, 2020 with restated comparative figures for the year ended March 31, 2019 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 01, 2018, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the Financial year ended March 31, 2019 and the balance sheet as at April 01, 2018 are as mentioned below:

A Optional Exemptions from retrospective application

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions

- I** There is no change in the functional currency of the Company and accordingly, it has elected to continue with the carrying values for all of its investment property, property plant & equipment intangible assets as recognised in its Previous GAAP financial statements as the deemed cost at the transition date.

Mandatory Exceptions from retrospective application

- I** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- II** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

FORTUNE INDUSTRIAL RESOURCES LIMITED

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Notes to Financial Statements for the year ended March 31, 2020

Note 3 : Cash and Cash Equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|--|----------------------|----------------------|---------------------|
| Cash on hand | 0.08 | 0.66 | 0.92 |
| Balances with banks - current account | 0.33 | 8.84 | 54.21 |
| Total | 0.41 | 9.50 | 55.14 |

Note 4 : Trade Receivables

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|--|----------------------|----------------------|---------------------|
| Trade Receivables | | | |
| Receivables considered good - Secured; | - | - | - |
| Receivables considered good - Unsecured | 200.00 | 200.00 | 200.00 |
| Receivables which have significant increase in Credit Risk | - | - | - |
| Receivables - credit impaired | - | - | - |
| Less :Allowance for impairment loss | - | - | - |
| Total | 200.00 | 200.00 | 200.00 |

Note 5 : Loans

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|---|----------------------|----------------------|---------------------|
| Loans Repayable on Demand (at amortised cost) | | | |
| Aarey Organic Industries Pvt. Ltd. | 180.00 | 180.00 | 219.21 |
| Aditri Chemicals & Minerals Pvt. Ltd. | 35.00 | 35.00 | - |
| Less: Impairment loss allowance | - | - | - |
| Total | 215.00 | 215.00 | 219.21 |

Note 6: - Investments

| Particulars | Unit { 2020 } [2019] (2018) | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|---|-------------------------------------|----------------------|----------------------|---------------------|
| Unquoted Investments in Fully paid up equity shares In Others (at FVTOCI) | | | | |
| HAL Offshore Limited | {22600} [22600] (22,600) | 643.41 | 643.41 | 423.58 |
| Moon Beverages Limited | {527198} [527198] (5,27,198) | 3,245.34 | 3,245.34 | 3,025.21 |
| PNR System P Ltd. | {195000} [195000] (1,95,000) | - | - | - |
| Saptrishi Finance Limited | {809120} [809120] (6,43,900) | 93.75 | 93.75 | 74.48 |
| Gemini Buildtech Private Limited | {-} [-] (68,000) | - | - | 68.00 |
| Total of Unquoted Investments (A) | | 3,982.50 | 3,982.50 | 3,591.27 |
| Quoted Investments in Mutual Fund (at FVTPL) | | | | |
| Nippon India Strategic Debt Fund-Growth Plan | {253779.53} [-] (-) | 95.87 | - | - |
| Reliance Mutual Fund | {-} [621545.244] (621545.244) | - | 91.39 | 87.05 |
| Total of Quoted Investments (B) | | 95.87 | 91.39 | 87.05 |
| Total(A+B) | | 4,078.36 | 4,073.89 | 3,678.32 |

Note 7 : Other Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|---------------------|----------------------|----------------------|---------------------|
| Rent Recievable | 2.04 | 2.04 | 0.24 |
| Interest Receivable | 22.08 | - | - |
| Total | 24.12 | 2.04 | 0.24 |

Note 8 : Current Tax Liability/(Assets) (Net)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|------------------------------|----------------------|----------------------|---------------------|
| Income Tax | 5.73 | 2.30 | 1.15 |
| Less : Advance Tax/ TDS/ TCS | 2.22 | 4.69 | 1.99 |
| Total | 3.51 | -2.39 | -0.84 |

Note 9 : Investment Property

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|----------------------------------|----------------------|----------------------|---------------------|
| Flat in Delhi | | | |
| Opening Balance | 6.48 | 6.48 | 6.48 |
| Addition | - | - | - |
| Disposals | - | - | - |
| Other adjustments | - | - | - |
| Depreciation during the year | - | - | - |
| Impairment Loss/ other reversals | - | - | - |
| Closing Balance | 6.48 | 6.48 | 6.48 |
| Total | 6.48 | 6.48 | 6.48 |

Note 10 : Other Non Financial Assets

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|---|----------------------|----------------------|---------------------|
| Income Tax Paid against Appeal AY 2011-12 | 41.58 | 41.58 | 41.58 |
| Total | 41.58 | 41.58 | 41.58 |

Note 11: Other Financial Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01,2018 |
|--|----------------------|----------------------|---------------------|
| Advance received | 13.50 | 13.50 | - |
| Liability Component of Redeemable Preference Share Capital | 399.61 | 373.47 | 349.04 |
| Liability for Expenses | 9.26 | 9.53 | 10.18 |
| Total | 422.37 | 396.50 | 359.21 |

Note 12: Deferred Tax Liability

Significant components of deferred tax liabilities (net) as at March 31, 2020 are as follows:

| Particulars | Opening Balance (As at April 01, 2019) | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income (OCI) | Closing Balance (As at March 31, 2020) |
|---|--|--|--|--|
| Deferred tax (assets) in relation to: | | | | |
| origination and reversal of temporary differences | 2.08 | 0.73 | - | 2.82 |
| | 2.08 | 0.73 | - | 2.82 |
| Deferred tax (liabilities) in relation to: | | | | |
| Liability Component of Preference Share Capital | 141.87 | - | - | 141.87 |
| Fair value of investments | 876.29 | 1.90 | - | 878.19 |
| origination and reversal of temporary differences | 0.52 | 0.53 | - | 1.05 |
| | 1,018.68 | 2.42 | - | 1,021.10 |
| Deferred Tax Liabilities (net) | 1,016.60 | 1.69 | - | 1,018.29 |

Significant components of deferred tax liabilities (net) as at March 31, 2019 are as follows:

| Particulars | Opening Balance (As at April 01, 2018) | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income (OCI) | Closing Balance (As at March 31, 2019) |
|---|--|--|--|--|
| Deferred tax (assets) in relation to: | | | | |
| origination and reversal of temporary differences | 2.08 | | - | 2.08 |
| | 2.08 | - | - | 2.08 |
| Deferred tax (liabilities) in relation to: | | | | |
| Liability Component of Preference Share Capital | 141.87 | | - | 141.87 |
| Fair value of investments | 761.85 | 1.12 | 113.32 | 876.29 |
| origination and reversal of temporary differences | | 0.52 | - | 0.52 |
| | 903.73 | 1.64 | 113.32 | 1,018.68 |
| Deferred Tax Liabilities (net) | 901.65 | 1.64 | 113.32 | 1,016.60 |

Note 13 : Other Non Financial Liabilities

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|-----------------------|----------------------|----------------------|----------------------|
| Statutory Liabilities | 0.13 | 0.18 | 0.46 |
| Other payables | 1.74 | - | 112.90 |
| Total | 1.87 | 0.18 | 113.36 |

Note 14: Equity Share Capital

| | As at March 31, 2020 | | As at March 31, 2019 | | As at April 01, 2018 | |
|------------------------------|----------------------|--------|----------------------|--------|----------------------|--------|
| Authorised | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares of Rs. 10 each | 29,00,000 | 290.00 | 29,00,000 | 290.00 | 29,00,000 | 290.00 |
| | 29,00,000 | 290.00 | 29,00,000 | 290.00 | 29,00,000 | 290.00 |

Issued, subscribed and fully paid-up

| | | | | | | |
|------------------------------|-----------|--------|-----------|--------|-----------|--------|
| Equity shares of Rs. 10 each | 10,00,000 | 100.00 | 10,00,000 | 100.00 | 10,00,000 | 100.00 |
| | 10,00,000 | 100.00 | 10,00,000 | 100.00 | 10,00,000 | 100.00 |

(a) Reconciliation of number of shares

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | | As at April 01, 2018 | |
|-------------------------------|----------------------|------------|----------------------|------------|----------------------|------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares | | | | | | |
| At the beginning of the year | 10,00,000 | 100 | 10,00,000 | 100 | 10,00,000 | 100 |
| Changes during the year | - | - | - | - | - | - |
| At the end of the year | 10,00,000 | 100 | 10,00,000 | 100 | 10,00,000 | 100 |

(b) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Detail of Equity shareholders holding more than 5% shares in the Company

| Name of share holders | As at March 31, 2020 | | As at March 31, 2019 | | As at April 01, 2018 | |
|-----------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Numbers | % of holding | Numbers | % of holding | Numbers | % of holding |
| Mr. Sanjeev Agarwal | 4,20,500 | 42.05% | 4,20,500 | 42.05% | 4,20,500 | 42.05% |
| Mrs. Prabha Agarwal | 1,00,000 | 10.00% | 1,00,000 | 10.00% | 1,00,000 | 10.00% |
| Mrs. Deepti Agarwal | 95,800 | 9.58% | 95,800 | 9.58% | 95,800 | 9.58% |
| Mr. Mukesh Agarwal | 69,200 | 6.92% | 69,200 | 6.92% | 69,200 | 6.92% |

Note 15: Other Equity

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|--|----------------------|----------------------|----------------------|
| Securities Premium | | | |
| Opening balance | 404.55 | 404.55 | 890.00 |
| Less: Ind AS Adjustments (Net of deferred tax) | - | - | 485.45 |
| Closing balance | 404.55 | 404.55 | 404.55 |
| Special Reserve Fund | | | |
| Opening balance | 37.84 | 37.18 | 36.52 |
| Add: Created during the year | -3.72 | 0.66 | 0.66 |
| Less: Utilised during the year | - | - | - |
| Closing balance | 34.12 | 37.84 | 37.18 |
| Contingent Provision against standard assets | 0.54 | 0.54 | 0.55 |
| Retained Earnings | | | |
| Opening balance | 2,263.38 | 2,280.43 | 87.54 |
| Add: Profit for the year transferred from the Statement of Profit and Loss | -18.60 | -16.40 | 3.30 |
| Less: Transfer to Special Reserve Fund | -3.72 | 0.66 | 0.66 |
| Less : Transfer to Standard Assets Reserve | - | 0.01 | 0.55 |
| Add: Reversal of excess provision made for I.Tax & previous years I.Tax | | | |
| Refund Received | 0.92 | - | - |
| Add: Ind AS adjustment | - | - | 2,190.80 |
| Closing Balance | 2,249.43 | 2,263.38 | 2,280.43 |
| Other Comprehensive Income | | | |
| Opening Balance | 326.75 | - | - |
| Add : Equity Instruments through Other Comprehensive Income | - | 440.06 | - |
| Less : Income tax related to OCI | - | -113.32 | - |
| Closing Balance | 326.75 | 326.75 | - |
| Equity Component of Redeemable Preference Share Capital (net of Deferred Tax) | 5 | 5 | 5 |
| Total Other Equity | 3,020 | 3,038 | 2,727 |

Nature and purpose of reserves**(a)Securities Premium**

Securities premium represents amount of premium received on issue of Preference Share Capital net of expense incurred on issue of shares. This amount is utilised in accordance with the provisions of the Companies Act, 2013.

(b)Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934

Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934 represents transfer from retained earnings @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared.

(c)Contingent Provision against standard assets

Provision for Standard Assets is created at 0.25 percent of the outstanding risk weighted assets, which shall not be reckoned for arriving at net NPAs. These are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses.

(d)Retained earnings

Retained earnings represent profits and items of Statement of profit & loss recognised directly in retained earnings earned by the Company less dividend distributions and transfer to and from other reserves.

(d)Other Comprehensive Income

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. This reserves represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognized as profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(e)Equity Component of Redeemable Preference Share Capital

It represents the Equity part of Redeemable Preference Share Capital net of deferred Tax impact .

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Notes to Financial Statements for the year ended March 31, 2020

Note 16:Interest Income

| <u>Particulars</u> | Year Ended March 31,2020 | Year Ended March 31,2019 |
|--------------------|-----------------------------|-----------------------------|
| Interest on Loans | 22.21 | 26.95 |
| | 22.21 | 26.95 |

Note 17:Other Income

| <u>Particulars</u> | Year Ended March 31,2020 | Year Ended March 31,2019 |
|-------------------------------|-----------------------------|-----------------------------|
| Interest on Income Tax Refund | 0.15 | - |
| | 0.15 | - |

Note 18: Employee Benefit Expenses

| <u>Particulars</u> | Year Ended March 31,2020 | Year Ended March 31,2019 |
|--------------------|-----------------------------|-----------------------------|
| Salaries & Wages | 5.11 | 9.00 |
| | 5.11 | 9.00 |

Note 19: Other Expenses

| <u>Particulars</u> | Year Ended March 31,2020 | Year Ended March 31,2019 |
|------------------------------|-----------------------------|-----------------------------|
| Audit Fees | 1.18 | 0.30 |
| Cost of Advertising | 0.29 | 0.44 |
| Bank Charges | 0.01 | 0.01 |
| Conveyance Expenses | 0.47 | 1.57 |
| Fee & Taxes | 0.93 | 2.52 |
| Legal & Professional Charges | 2.62 | 6.99 |
| Office Rent & Maintenance | 0.60 | 0.54 |
| Postage & Telegram | - | 0.00 |
| Printing & Stationary | 0.11 | 0.16 |
| Internet & Domain Expenses | 0.05 | 0.06 |
| Director Sitting Fees | 0.50 | 0.70 |
| | 6.76 | 13.27 |

Note 20: Finance Cost

| <u>Particulars</u> | Year Ended March 31,2020 | Year Ended March 31,2019 |
|--|-----------------------------|-----------------------------|
| Liability Component of Redeemable Preference Share Capital | 26.14 | 24.43 |
| | 26.14 | 24.43 |

FORTUNE INDUSTRIAL RESOURCES LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2020

21 Contingent Liabilities in respect of:

Claim against the Company not acknowledge as debts :

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| In respect of Income tax matters under appeals against Income Tax Demand | 41.58 | 41.58 |

The Company has deposited income tax in protest for Rs. 41,57,686/- for AY 2011-12. The learned CIT Appeal has already decided in favour of assessee and the department has filed an appeal with ITAT against the order of learned CIT. The ITAT appeal at present is under hearing.

22 Disclosures as per Ind AS 12-Income Taxes

| | | | |
|-----|--|-------------------------|-------------------------|
| (a) | | As at March 31, 2020 | As at March 31, 2019 |
| | Income Tax recognised in Statement of Profit & Loss | | |
| i. | Current Tax expense in relation to: | | |
| | Current year | 5.73 | 1.15 |
| | Adjustment of earlier years | - | - |
| | Total Current Tax Expense (A) | 5.73 | 1.15 |
| | Deferred Tax Expense | | |
| | Origination and reversal of temporary differences | 1.69 | 1.64 |
| | Total Deferred Tax Expense(B) | 1.69 | 1.64 |
| | Total Income Tax Expense(A+B) | 7.42 | 2.79 |
| (b) | Reconciliation of tax expense and the accounting profit | | |
| | | As at March 31, 2020 | As at March 31, 2019 |
| | Accounting profit before income tax (A) | -11.18 | -13.61 |
| | Income tax rate applicable (B) | 26.00% | 25.75% |
| | Income tax expense (A*B) | -2.91 | -3.51 |
| | Tax effects of the items that are not deductible (taxable) while calculating taxable income : | | |
| | Others- STCG on sale of Mutual Fund | 3.53 | - |
| | Others- Finance Cost on Liability component of Redeemable Preference Share | 6.80 | 6.29 |
| | Total tax expenses in the Standalone Statement of Profit and Loss | 7.42 | 2.79 |

c) Applicable tax rate has increased from 25.75% to 26% in the current financial year due to increase in Education cess rate from 3% to 4%

d) The Company has recognised Deferred Tax Liability on amount of Preference Share Capital & Fair Value of Investments. Suitable adjustment has also been made on the transition date and in the comparative results. Movement in Deferred Tax has been shown under Note no. 12

23 Related Parties Disclosures

a) Name of Related Parties and description of relationships

| | |
|---|--|
| i) Key Managerial Personnel | Designation |
| Sh. Sanjeev Agarwal | Director |
| Sh. Pankaj Gupta | Director |
| Ms. Vicky Kumari | Director |
| Ms. Puja Sharma | Director (till.....) |
| Mr. Nishant Goyal | Whole Time Director |
| Ms. Bharti | Company Secretary |
| Mr. Deepak kumar Jha | Company Secretary |
| Mr. Umesh Kumar Gupta | CFO |
| ii) Enterprises over which KMP exercise significant influence | Moon Beverages Limited Saptrishi Finance Limited PNR Systems Private Limited |

b) Transactions with related parties

i) Key management personnel compensation

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------------------|----------------|----------------|
| Short - term employee benefits* | | |
| Deepak kumar Jha | 4.87 | 5.08 |
| Ms. Bharti | 0.21 | |
| Post - employment benefits | - | 1.75 |
| Long - term employee benefits | - | 2.18 |
| Total compensation | 5.08 | 9.00 |

ii) Payment made to related parties

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| Expenses: | | |
| Directors' Sitting Fee | | |
| Pankaj Kumar Gupta | 0.20 | 0.35 |
| Vicky Kumari | 0.30 | 0.10 |
| Puja Sharma | - | 0.25 |
| Reimbursement of Expenses | - | 1.57 |
| Total (A) | 0.50 | 2.27 |
| Advance Payment | | |
| Saptrishi Finance Ltd. | 1.50 | - |
| Total(B) | 1.50 | - |
| Total (A+B) | 2.00 | 2.27 |

iii) Advance received:

| Particulars | March 31, 2020 | March 31, 2019 |
|------------------------|----------------|----------------|
| Moon Beverages Ltd. | - | 13.50 |
| Saptrishi Finance Ltd. | 1.50 | - |
| Total | 1.50 | 13.50 |

c) Balance outstanding as at the end of the year

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------|----------------|----------------|
| Receivables: | | |
| Mr. Sanjeev Agrawal | 200.00 | 200.00 |
| Total | 200.00 | 200.00 |
| Payables: | | |
| Ms. Bharti | 0.21 | |
| Deepak kumar Jha | 0.03 | 0.56 |
| Pankaj Kumar Gupta | 0.14 | |
| Vicky Kumari | 0.18 | |
| Moon Beverages Ltd. | 13.50 | 13.50 |
| Total | 14.05 | 14.06 |

*Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

24 Financial Instruments : Fair Value Measurement

| S.No. | Particulars | Level of Hierarchy | As at March 31,2020 | | |
|-------|------------------------------------|--------------------|---------------------|-----------------|----------------|
| | | | FVTPL | FVTOCI | Amortized cost |
| | <u>Financial assets</u> | | | | |
| 1 | Investments | | | | |
| | Investment in equity instruments | 1 | - | 4,078.36 | - |
| 2 | Other financial assets | 3 | - | - | 24.12 |
| 3 | Cash & Cash Equivalents | 3 | - | - | 0.41 |
| 4 | Trade Receivables | 3 | - | - | 200.00 |
| 5 | Loans | 3 | - | - | 215.00 |
| | Total Financial Assets | | - | 4,078.36 | 439.53 |
| | <u>Financial Liability</u> | | | | |
| 1 | Trade & Other Payables | 3 | - | - | - |
| 2 | Other financial Liabilities | 3 | - | - | 422.37 |
| | Total Financial Liabilities | | - | - | 422.37 |

| S.No. | Particulars | Level of Hierarchy | As at March 31,2019 | | |
|-------|------------------------------------|--------------------|---------------------|-----------------|----------------|
| | | | FVTPL | FVTOCI | Amortized Cost |
| | <u>Financial assets</u> | | | | |
| 1 | Investments | | | | |
| | Investment in equity instruments | 1 | - | 4,073.89 | - |
| 2 | Other financial assets | 3 | - | - | 2.04 |
| 3 | Cash & Cash Equivalents | 3 | - | - | 9.50 |
| 4 | Trade Receivables | 3 | - | - | 200.00 |
| 5 | Loans | 3 | - | - | 215.00 |
| | Total Financial Assets | | - | 4,073.89 | 426.54 |
| | <u>Financial Liability</u> | | | | |
| 1 | Trade & Other Payables | 3 | - | - | - |
| 2 | Other financial Liabilities | 3 | - | - | 396.50 |
| | Total Financial Liabilities | | - | - | 396.50 |

| S.No. | Particulars | Level of Hierarchy | As at April 01,2018 | | |
|-------|------------------------------------|--------------------|---------------------|-----------------|----------------|
| | | | FVTPL | FVTOCI | Amortized cost |
| | <u>Financial assets</u> | | | | |
| 1 | Investments | | | | |
| | Investment in equity instruments | 1 | - | 3,678.32 | - |
| 2 | Other financial assets | 3 | - | - | 0.24 |
| 3 | Cash & Cash Equivalents | 3 | - | - | 55.14 |
| 4 | Trade Receivables | 3 | - | - | 200.00 |
| 5 | Loans | 3 | - | - | 219.21 |
| | Total Financial Assets | | - | 3,678.32 | 474.58 |
| | <u>Financial Liability</u> | | | | |
| 1 | Trade & Other Payables | 3 | - | - | 0.34 |
| 2 | Other financial Liabilities | 3 | - | - | 359.21 |
| | Total Financial Liabilities | | - | - | 359.55 |

- a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- b) There were no transfers between Level 1 ,Level 2 and Level 3 in the period.

25 Disclosure as per Ind AS 33 "Earnings per Share"

| Particulars | March 31,2020 | March 31,2019 |
|---|---------------|---------------|
| Calculation of Profit/(loss) for basic/diluted EPS | | |
| Net Profit/(loss) attributable to equity shareholders | -18.60 | -16.40 |
| Nominal value of equity share (Rs.) | 10.00 | 10.00 |
| No of shares as at end of the year | 10 | 10 |
| No. of weighted average equity shares | 10 | 10 |
| Basic Earning/(Loss) per share | (1.86) | (1.64) |
| Number of equity shares for Dilutive EPS | 10 | 10 |
| Dilutive Earning/(Loss) per share | -1.86 | -1.64 |

26 Corporate Social Responsibility Expenditure as per Section 135 of the Companies Act, 2013

The company's network and average profit is not upto the requirement under section 135 of the Companies Act, 2013 hence no provision or expenses made under CSR has been made in the current year as well as in previous year.

27 Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006 :

The company during the year has not entered into transactions with the vendors registered under the Micro, Small and Medium Enterprises Development Act, 2006. There is no need of disclosures under section 22 of the said act.

28 Financial Risk Management

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 24. The main types of risks are interest rate risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:

1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates.

2 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from the customers and from its financing activities, including deposit with banks and other financial instruments.

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted.

For other counter parties, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

Expected credit loss for Trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low.

Movement in the expected credit loss allowance of trade receivables are as follows:

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Balance at the beginning of the year | 200.00 | 200.00 |
| Add: Provided during the year (net of reversal) | - | - |
| Less: Amount written off/ translation adjustment | - | - |
| Balance at the end of the year | 200.00 | 200.00 |

3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

| April 01, 2018 | | | | | |
|-----------------------------|---------------|--------------|-------------|---------------|---------------|
| | Upto 1 year | 1 to 3 year | 3 to 5 year | Above 5 year | Total |
| Trade payables | 0.34 | - | - | - | 0.34 |
| Other financial liabilities | 359.21 | - | - | - | 359.21 |
| Total | 359.55 | - | - | - | 359.55 |
| March 31, 2019 | | | | | |
| | Upto 1 year | 1 to 3 years | 3 to 5 year | Above 5 years | Total |
| Trade payables | - | - | - | - | - |
| Other financial liabilities | 396.50 | - | - | - | 396.50 |
| Total | 396.50 | - | - | - | 396.50 |
| March 31, 2020 | | | | | |
| | Upto 1 year | 1 to 3 years | 3 to 5 year | Above 5 years | Total |
| Other financial liabilities | 422.37 | - | - | - | 422.37 |
| Total | 422.37 | - | - | - | 422.37 |

29 Capital Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020, March 31, 2019 and April 01, 2018.

| | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|----------------------|-------------------------|-------------------------|-------------------------|
| Equity Share capital | 100.00 | 100.00 | 100.00 |
| Free Reserve* | 2,249.43 | 2,263.38 | 2,280.43 |

* Comprises of retained earning and general reserves.

30 Other Disclosures to Statement of Profit and Loss:**a) Outflow & inflow on Foreign Currency**

| | March 31, 2020 | March 31, 2019 |
|----------------------------------|----------------|----------------|
| Expenditures in foreign currency | NIL | NIL |
| Earnings in foreign currency | NIL | NIL |

b) Payment to Auditors

| | March 31, 2020 | March 31, 2019 |
|--------------------------|----------------|----------------|
| - Audit fees | 1.18 | 0.30 |
| - Out of Pocket Expenses | - | - |
| - Tax Audit | - | - |
| - Other Services | - | - |
| Total | 1.18 | 0.30 |

31 Reconciliations for First Time Adoption of Ind AS

a) Reconciliation of Total Equity as at 31.03.2019 and 01.04.2018

| Particulars | Note | As at March 31, 2019 | As at April 01, 2018 |
|--|------|-------------------------|-------------------------|
| Total equity under previous GAAP | | 1,130.67 | 1,127.35 |
| Equity instruments measured at fair value through Other Comprehensive Income/Profit & Loss | A, B | 3,403.06 | 2,958.66 |
| Ind AS Adjustments on Security Premium | F | -373.47 | -349.04 |
| Others | E | -6.06 | -8.08 |
| Deferred Tax Impact (DTA / DTL) on above | D | -1,016.60 | -901.65 |
| Total Equity after adjustment under Ind AS | | 3,137.60 | 2,827.25 |

b) Reconciliation of Total Comprehensive Income for the year ended 31.03.2019

| Particulars | Note | For the year ended March 31, 2019 |
|---|----------|--------------------------------------|
| Profit for the year as reported under Previous GAAP | | 3.31 |
| Net Gain / (Loss) on Fair Value of Equity Instruments | B | 4.34 |
| Finance Cost on Liability Component of Redeemable Preference Share Capital | F | -24.43 |
| Others | E | 2.02 |
| Deferred Tax Impact (DTA / DTL) on above | D | -1.64 |
| Net profit after tax as per Ind AS | | -16.40 |
| Net Gain / (Loss) on Fair Value of Equity Instruments (Net of Deferred Tax) | A, B & D | 326.75 |
| Total comprehensive income (net of tax) as per Ind AS | | 310.35 |

c) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2019 and April 01, 2018

| Particulars | Notes | IGAAP as at March 31, 2019 | Adjustment for Ind AS | Ind AS as at March 31, 2019 |
|--|-------|----------------------------------|--------------------------|-----------------------------------|
| I ASSETS | | | | |
| 1 Financial Assets | | | | |
| (a) Cash and cash equivalents | | 9.50 | | 9.50 |
| (b) Trade Receivables | | 200.00 | - | 200.00 |
| (c) Loans | | 215.00 | - | 215.00 |
| (d) Investments | A, B | 677.31 | 3,396.57 | 4,073.89 |
| (e) Other Financial Assets | | 2.04 | - | 2.04 |
| | | 1,103.85 | 3,396.57 | 4,500.43 |
| 2 Non Financial Assets | | | | |
| (a) Current Tax Asset (Net) | | 4.69 | -2.30 | 2.39 |
| (b) Deferred Tax Asset (Net) | | - | - | - |
| (c) Investment Property | G | - | 6.48 | 6.48 |
| (d) Other non financial assets | E | 47.64 | -6.06 | 41.58 |
| | | 52.32 | -1.87 | 50.45 |
| Total Assets | | 1,156.18 | 3,394.70 | 4,550.88 |
| II LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| 1 Financial Liabilities | | | | |
| (a) Trade payables | | | | |
| i) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - | - |
| ii) enterprises and small enterprises | | | | |
| (b) Other Financial Liabilities | F | 23.21 | 373.29 | 396.50 |
| | | 23.21 | 373.29 | 396.50 |
| 2 Non Financial Liabilities | | | | |
| a) Current Tax Liability (Net) | | 2.30 | -2.30 | - |
| (b) Deferred Tax Liability (Net) | D | - | 1,016.60 | 1,016.60 |
| c) Other Non Financial Liabilities | | | 0.18 | 0.18 |
| | | 2.30 | 1,014.48 | 1,016.78 |
| Equity | | | | |
| (a) Equity Share capital | F | 110.00 | -10.00 | 100.00 |
| (b) Other Equity | | 1,020.67 | 2,016.93 | 3,037.60 |
| | | 1,130.67 | 2,006.93 | 3,137.60 |
| Total Equity and Liabilities | | 1,156.18 | 3,394.70 | 4,550.88 |

| Particulars | Notes | IGAAP as at April 01, 2018 | Adjustment for Ind AS | Ind AS as at April 01, 2018 |
|--|--------|----------------------------------|--------------------------|-----------------------------------|
| I ASSETS | | | | |
| 1 Financial Assets | | | | |
| (a) Cash and cash equivalents | A, B | 55.14 | - | 55.14 |
| (b) Trade Receivables | | 200.00 | - | 200.00 |
| (c) Loans | | 219.21 | - | 219.21 |
| (d) Investments | | 726.15 | 2,952.18 | 3,678.32 |
| (e) Other Financial Assets | | 0.24 | - | 0.24 |
| | | 1,200.73 | 2,952.18 | 4,152.91 |
| 2 Non Financial Assets | | | | |
| (a) Current Tax Asset (Net) | G E | 1.99 | -1.15 | 0.84 |
| (b) Deferred Tax Asset (Net) | | - | - | - |
| (c) Investment Property | | - | 6.48 | 6.48 |
| (d) Other non financial assets | | 49.66 | -8.08 | 41.58 |
| | | 51.65 | -2.75 | 48.90 |
| Total Assets | | 1,252.38 | 2,949.43 | 4,201.81 |
| II LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| 1 Financial Liabilities | | | | |
| (a) Trade payables | F | - | - | - |
| i) total outstanding dues of micro enterprises and small enterprises | | 0.34 | - | 0.34 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 10.18 | 349.04 | 359.21 |
| ii) Other Financial Liabilities | | 10.52 | 349.04 | 359.55 |
| | | | | |
| 2 Non Financial Liabilities | | | | |
| a) Current Tax Liability (Net) | D | 1.15 | -1.15 | - |
| (b) Deferred Tax Liability (Net) | | 113.36 | 901.65 | 901.65 |
| (c) Other Non Financial Liabilities | | 114.51 | 900.50 | 1,015.01 |
| Equity | | | | |
| (a) Equity Share capital | F | 110.00 | -10.00 | 100.00 |
| (b) Other Equity | | 1,017.35 | 1,709.89 | 2,727.25 |
| | | 1,127.35 | 1,699.89 | 2,827.25 |
| Total Equity and Liabilities | | 1,252.38 | 2,949.43 | 4,201.81 |

(d) Effect of Ind AS adoption on Standalone Statement of Profit and Loss for the year ended 31.03.2019

| Particulars | Notes | IGAAP For the year ended March 31, 2019 | Adjustment for Ind AS | Ind AS For the year ended March 31, 2019 |
|---|-------|--|--------------------------|--|
| (I) Revenue from Operations | | | | |
| Interest Income | | 26.95 | - | 26.95 |
| Rental Income | | 1.80 | - | 1.80 |
| Net Gain arising on Investments designated as at FVTPL | | | 4.34 | 4.34 |
| Total | B | 28.75 | 4.34 | 33.09 |
| (II) Other Income | | | | - |
| III Total Income (I +II) | | 28.75 | 4.34 | 33.09 |
| IV Expenses | | | | |
| Employee benefit expense | | 9.00 | - | 9.00 |
| Other expense | | 13.27 | - | 13.27 |
| Finance Cost | F | - | 24.43 | 24.43 |
| Total expenses (IV) | | 22.27 | 24.43 | 46.70 |
| V Profit/ (loss) before exceptional items and tax (III-IV) | | 6.48 | -20.10 | -13.61 |
| VI Exceptional items | E | 2.02 | -2.02 | - |
| VII Profit/ (loss) before tax (V-VI) | | 4.46 | -18.08 | -13.61 |
| VIII Tax expense | | | | |
| a) Current Tax | | 1.15 | - | 1.15 |
| b) Deferred Tax | D | | 1.64 | 1.64 |
| IX Profit/ (loss) for the period (VII-VIII) | | 3.31 | -19.71 | -16.40 |
| X Other Comprehensive Income/(Loss) | | | | |
| (i) Items that will not be reclassified to profit or loss | | | | |
| (a)Equity instruments through other comprehensive income | C | | 440.06 | 440.06 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | -113.32 | -113.32 |
| XI Total comprehensive income for the period (X+XI) | | 3.31 | 307.03 | 310.35 |

Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(e) Effect of Ind AS adoption on Statement of Cash Flows for the year ended 31.03.2019

| Particulars | Notes | IGAAP For the year ended March 31, 2019 | Adjustment for Ind AS | Ind AS For the year ended March 31, 2019 |
|--|-------|--|--------------------------|--|
| Net cash flow from operating activities | | -98.68 | 4.20 | -94.47 |
| Net cash flow from investing activities | | 53.04 | -4.20 | 48.83 |
| Net cash flow from financing activities | | - | - | - |
| Net increase / (decrease) in cash and cash equivalents during the year | | -45.64 | - | -45.64 |
| Cash and cash equivalents at the beginning of the year | | 55.14 | - | 55.14 |
| Cash and cash equivalent at the end of the year | | 9.50 | - | 9.50 |

The transition from Indian GAAP to Ind AS has not material impact on the statement of cash flows. The only change is Cash & cash equivalent at the end of the year in IGAAP & Ind AS due to regrouping.

Notes to first time adoption

A FVTOCI financial assets

Under Indian GAAP, the company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

This has resulted in increase in Total Equity by Rs 2946.60/- Lac with corresponding increase in value of investments in equity instruments as at the date of transition and Rs 440.06/- Lac increase as at 31.03.2019.

B Investment in Mutual Funds

Under Previous GAAP, the Company accounted for investments in mutual funds as financial instruments measured at lower of cost or fair value.

Under Ind AS, the Company has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and Previous GAAP carrying amount has been adjusted in equity as on the transition date.

This has resulted in increase in Total Equity by Rs 12.05/- Lac with corresponding increase in value of investments in Mutual Funds as at the date of transition and Rs 4.33/- Lac increase as at 31.03.2019.

C Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

As a result, other Comprehensive income for the year ended 31.03.2019 has been increased by Rs 326.74/- Lac (net of tax).

D Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

These adjustments and the consequential impact due to the adoption of Ind AS have resulted in an decrease in the Total Equity by Rs 901.64/- Lac as at 01.04.2018 and an decrease in 114.95/- Lac Total Equity by as at 31.03.2019.

E Preliminary expenses

Under previous GAAP, Misc Expenditure is written off every year for five years. Under Ind AS the expense need to be written off in one year.

As a result of this the preliminary expenses amounted to Rs 8.08/- Lac has been written off at the date of transition.

F Preference Share Capital

Under Ind AS, preference shares are separated into liability and equity components including Security Premium received at the time of issue based on the terms of the contract.

Non-Convertible Redeemable Preference Shares (NCRPS) are separated into liability and equity components based on the terms of the contract. On issuance of the NCRPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

This has resulted in increase in Financial liability of Company by Rs 349.03/- Lacs with corresponding decrease in value of equity as at the date of transition and Rs further addition of Rs 24.43/- Lacs on account of EIR led to total Financial liability increase amounting to Rs 373.46/- Lacs as at 31.03.2019.

G Investment Property

Under IGAAP, there is no distinction between investment property, Investments and other Tangible Assets. Under Ind AS, investment property is distinguished from Property, Plant & equipment & Investments. An investment property is the property that the firm owns for earning rental income, earning capital gains or both. The company has adopted cost model for its valuation.

The effect of this transition led to transfer of Rs 6.48/- Lacs as Investment Property from Investments.

32 The financials statements has been approved by the Board on 30th July, 2020.

33 The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. Though there has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic but is not materially impacting financial position of the company. The Company's offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID - 19 on various elements of its financial statements, including recoverability of its Financial assets as at the Balance Sheet date.

34 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification disclosure.

35. Schedule to the Balance Sheet of a non -deposit taking non -banking financial company

(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Amount in Rupees)

| Particulars | | as on 31.03.2020 | |
|---------------------------|---|---------------------------|----------------|
| Liabilities side : | | | |
| (1) | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: | Amount out-standing | Amount overdue |
| | (a) Debentures : Secured | NIL | NIL |
| | : Unsecured | | |
| | (other than falling within the meaning of public deposits) | NIL | NIL |
| | (b) Deferred Credits | NIL | NIL |
| | (c) Term Loans | NIL | NIL |
| | (d) Inter-corporate loans and borrowing | NIL | NIL |
| | (e) Commercial Paper | NIL | NIL |
| | (f) Other Loans (advance) | 13.50 | NIL |
| Assets side : | | Amount outstanding | |
| | | as on 31.03.2020 | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | | |
| | (a) Secured | NIL | |
| | (b) Unsecured | | 415.00 |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors : | | |
| | (a) Financial lease | NIL | |
| | (b) Operating lease | NIL | |
| | (ii) Stock on hire including hire charges under sundry debtors : | | |
| | (a) Assets on hire | NIL | |
| | (b) Repossessed Assets | NIL | |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | NIL | |
| | (b) Loans other than (a) above | NIL | |

| | | | |
|-----|----------------------------------|--|-----|
| (4) | Break-up of Investments : | | |
| | Current Investments : | | |
| | 1. <u>Quoted</u> : | | |
| | (i) Shares : (a) Equity | | Nil |
| | (b) Preference | | |
| | (ii) Debentures and Bonds | | Nil |
| | (iii) Units of mutual funds | | Nil |
| | (iv) Government Securities | | Nil |
| | (v) Others (Please specify) | | Nil |
| | 2. <u>Unquoted</u> : | | |
| | (i) Shares : (a) Equity | | Nil |
| | (b) Preference | | Nil |
| | (ii) Debentures and Bonds | | Nil |
| | (iii) Units of mutual funds | | Nil |
| | (iv) Government Securities | | Nil |
| | (v) Others (Please specify) | | Nil |
| | Long Term Investments : | | |
| | 1. <u>Quoted</u> : | | |
| | (i) Shares : (a) Equity | | Nil |
| | (b) Preference | | Nil |
| | (ii) Debentures and Bonds | | Nil |
| | (iii) Units of mutual funds | | 96 |
| | (iv) Government Securities | | Nil |

| | |
|-----------------------------|----------|
| (v) Others (Please specify) | Nil |
| 2. <u>Unquoted</u> : | |
| (i) Shares : (a) Equity | 3,982.50 |
| (b) Preference | |
| (ii) Debentures and Bonds | Nil |
| (iii) Units of mutual funds | Nil |
| (iv) Government Securities | Nil |
| (v) Others (Please specify) | |

| (5) Borrower group-wise classification of assets financed as in (2) and (3) above: | | | |
|---|---|-----------|--------|
| Category | Amount net of provisions(as on 31.03.2020) | | |
| | Secured | Unsecured | Total |
| 1. Related Parties | NIL | NIL | NIL |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the Same Group | NIL | NIL | NIL |
| (c) Other related Parties | NIL | 200.00 | 200.00 |
| 2. Other than Related Parties | NIL | 215.00 | 215.00 |
| Total | NIL | 415.00 | 415.00 |

| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | | |
|---|--|--------------------------------|---------------|
| Category | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) | |
| 1. Related Parties | | | |
| (a) Subsidiaries | Nil | | Nil |
| (b) Companies in the same group | Nil | | Nil |
| (c) Other related parties | 3,339.09 | | 458.24 |
| 2. Other than related parties | 739.28 | | 226.16 |
| Total | 4,078.36 | | 684.40 |

| (7) Other Information | | |
|--|--------|--|
| Particulars | Amount | |
| (i) Gross Non- performing Assets | | |
| (a) Related parties | NIL | |
| (b) Other than related parties | NIL | |
| (ii) Net Non Performing Assets | | |
| (a) Related parties | NIL | |
| (b) Other than related parties | NIL | |
| (iii) Assets acquired in satisfaction of debt. | NIL | |

As per our report of even date
For Bhala & Bhala,
Chartered Accountants
Firm Registration Number : 021008N

For and on Behalf of the Board
For Fortune Industrial Resources Limited

Ashish Bhala
(Partner)
M.No :508902

Nishant Goyal
(Whole Time Director)
DIN : 08153024

Sanjeev Agarwal
(Director)
DIN:00282059

Bharti
(Company Secretary)
M No.A34492

Umesh Kumar Gupta
(CFO)

Place : Delhi
Date :30.07.2020