

32nd
Annual Report

2013-2014



BOARD OF DIRECTORS

Mrs. Rekha Shrivastava, Non- Executive Chairman
Mr. Nivedan Bharadwaj, Whole Time Director
Ms. Ruchika Bharadwaj, Non Executive Director
Mr. Madan Lal Jain, Independent Director
Mr. Prashant Verma, Independent Director

STATUTORY AUDITORS

M/s. L.N. Malik & Co,
Chartered Accountants,
New Delhi

BANKERS

1. State Bank of Bikaner & Jaipur
Naraina Industrial Estate, New Delhi
2. ICICI Bank Ltd,
Naraina Industrial Area, New Delhi

REGISTERED OFFICE

G-4, C-Block, Community Centre,
Naraina Vihar, New Delhi-110 028.

REGISTRAR & TRANSFER AGENT

Purva Sharegistry (India) Private Limited
No 9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel,
Mumbai –400011.

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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the members of Fortune International Limited will be held on Tuesday 30th September, 2014 at 10.00 a. m at G-3, First Floor, C-Block, Community Centre, Naraina Vihar, New Delhi-110 028 to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.**

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

"RESOLVED THAT the audited balance sheet as at 31st March 2014, the statement of profit and loss and cash flow statement including consolidated financial statements for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting, be and are hereby, approved and adopted".

2. **To appoint a Director in place of Mr. Nivedan Bharadwaj who retires by rotation and being eligible offers himself for re-appointment.**

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

"RESOLVED THAT Mr. Nivedan Bharadwaj (DIN-00040191), , who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Whole-time director of the Company with remuneration of INR.120,000 p.a/- for a period of Five Year."

3. **To appoint a Director Ms. Ruchika Bharadwaj who was appointed as an Additional Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 160 and 161 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and subject to the approval of shareholders in general meeting, Ms. Ruchika Bharadwaj who was appointed as an Additional Director in the meeting of the Board of Directors held on 05th April, 2014 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing her candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Directors of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

4. **To re-appoint M/s. L.N. Malik & Co, Chartered Accountants, as Statutory Auditors of the Company and authorise the Board to fix their remuneration.**

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

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, M/s. L.N. Malik & Co, Chartered Accountants, (ICAI Firm Registration No. 015992N), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Thirty Third Annual General Meeting to be held in the year 2015, on a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:**5. Appointment of Mr. Madan Lal Jain as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act,2013 and the Rules framed there under and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made there under, for the time being in force) Mr. Madan Lal Jain (DIN-00051418),be and is hereby appointed as an independent director and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, to hold office for a term of five consecutive year from the conclusion of this Annual General Meeting and to receive remuneration by way of fees as determined by the board from time to time.”

6. Appointment of Mr. Prashant Verma as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act,2013 and the Rules framed there under and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made there under, for the time being in force) Mr. Prashant Verma (DIN-00328093),be and is hereby appointed as an independent director and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, to hold office for a term of five consecutive year from the conclusion of this Annual General Meeting and to receive remuneration by way of fees as determined by the board from time to time.”

DATE: 4th September, 2014

PLACE: New Delhi

By order of the Board of Directors

Sd/-

Rekha Srivastava

Director

(DIN-00051261)

Registered Office:

G - 4, C- Block Community Centre,
Naraina Vihar,
New Delhi – 110028

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect of business under Item Nos. 5 and 6 as set out in the Notice is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item 2, 3, 5 and 6 of the Notice, are also annexed.
2. Brief resume of Directors/persons proposed to be appointed / re-appointed, as stipulated under clause 49 of the listing agreement with the stock exchanges, are provided after the explanatory statement to this notice.
3. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. The appointment of proxy shall be in the Form No. MGT.11 given at the end of Annual Report.
5. The Register of Members and Transfer Books of the Company will be closed from Thursday, September 25, 2014 to Tuesday, September 30, 2014, both days inclusive.
6. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
7. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the company a certified true copy of the resolution passed at the Board Meeting authorizing their representative to attend and vote on behalf of the Company. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. Members seeking any information or for any queries to write to the Directors at the Registered office at least a week advance so as to enable to keep the information ready at the meeting.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/s. Purva Shareregistry (India) Private Limited, the Registrar & Share Transfer Agent.
10. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Members holding shares in electronic form are requested to intimate any changes in their address or bank mandates to their depositories participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change of address immediately to M/s. Purva Shareregistry (India) Private Limited, the Registrar & Share Transfer Agent.

12. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- a) User ID and Password for e-voting is provided in the table given on the face of this annexure to AGM Notice. Please note that the Password is an Initial Password.
- b) Launch the internet browser by typing the following <https://www.evoting.nsd.com>.
- c) Click on "Shareholder-Login":
- d) Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- e) If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f) Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- g) Select "EVEN (E-Voting Event Number)" of Fortune International Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- h) Now you are ready for "e-voting" as "Cast Vote" Page opens.
- i) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- j) Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at cssharma1984@gmail.com with a copy marked to evoting@nsdl.co.in. You can also forward the documents at the Company's email ID: fil12033@gmail.com.
- k) Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.
- l) In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsd.com> or contact NSDL by email at evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

C. Other Instructions:

1. The e-voting period commences on Wednesday September 24, 2014 (9.00 a.m. IST) and ends on Friday, September 26, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as August 22, 2014.
3. Mr. Dharmendra Sharma, Practicing Company Secretary (Membership No. ACS 29317), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Dharmendra Sharma, Practicing Company Secretary (Membership No. ACS 29317), at the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).
6. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to fil12033@gmail.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fortuneinternational.in and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the Thirty Second AGM of the Company on September 30, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.
8. e-Voting System has an option for the shareholders to edit their mobile number or e-mail ID
9. The e-voting period commences on Wednesday September 24, 2014 (9.00 a.m. IST) and ends on Friday, September 26, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
10. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 22, 2014.
11. Mr. Dharmendra Sharma, Practicing Company Secretary (Membership No. ACS 29317), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

12. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to fil12033@gmail.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).
14. Ballot Form received after this date will be treated as invalid.
15. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fortuneinternational.in and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the Thirty Second AGM of the Company on September 30, 2014 and communicated to the BSE Limited, where the shares of the Company are listed

Date: 4th September, 2014
Place: New Delhi

By order of the Board of Directors
Sd/-
Rekha Srivastava
Director
(DIN-00051261)

Registered Office:
G - 4, C-Block Community Centre,
Naraina Vihar,
New Delhi – 110028

**Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice:

Item No. 4

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s. L.N. Malik & Co, Chartered Accountants, (ICAI Firm Registration No. 015992N) was appointed as a Statutory Auditor for the FY 2013-14 at the Annual General Meeting of the Company held on 30th September, 2013.

M/s. L.N. Malik & Co, Chartered Accountants, (ICAI Firm Registration No. 015992N) has been the Auditors of the Company since last nine years and about to complete two terms. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a relaxation period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. L.N. Malik & Co. being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on August 14, 2014, proposed the appointment of M/s. L.N. Malik & Co. as the statutory auditors of the Company for a period of one years to hold office from the conclusion of this AGM till the conclusion of the Thirty Third AGM of the Company to be held in the year 2015 (subject to ratification of their appointment at every AGM).

The Board recommends the resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item No.5

In accordance with the provisions of Section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation and who shall hold office for a term of consecutive five years.

The Nomination and Remuneration Committee has recommended appointment of Mr. Madan Lal Jain (DIN-00051418), an Independent Director, pursuant to section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement for a term of consecutive five years w.e.f this Annual General meeting i.e. 30th September 2014 till the Thirty Seventh AGM in 2019, The Company has received consent from him and also declaration that he is not disqualified from being appointed in terms of section 164(2) of the Companies Act, 2013 and meet criteria of independence as prescribed under section 149 (6) of the said act.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

Item No.6

The Nomination and Remuneration Committee has recommended appointment of Mr. Prashant Verma (DIN-00328093), an Independent Director, pursuant to section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement for a term of consecutive five years w.e.f this Annual General meeting i.e. 30th September 2014 till the Thirty Seventh AGM in 2019, The Company has received consent from him and also declaration that he is not disqualified from being appointed in terms of section 164 (2) of the Companies Act, 2013 and meet criteria of independence as prescribed under section 149 (6) of the said act.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

A brief profile along with other details of the Independent Directors is provided at the end of this statement.

Date: 04th September, 2014

Place: New Delhi

By order of the Board of Directors

Sd/-

Rekha Srivastava

Director

(DIN-00051261)

Registered Office:

G - 4, C- Block Community Centre,

Naraina Vihar,

New Delhi – 110028

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

| Name of the Director | Nivedan Bharadwaj | Ruchika Bharadwaj | Madan Lal Jain | Prashant Verma |
|---|--|---|---|---|
| Age | 44 | 43 | 49 | 49 |
| Nationality | Indian | Indian | Indian | Indian |
| DIN | 00040191 | 00288459 | 00051418 | 00328093 |
| Date of Appointment | 16 th December 2000 | 05 th April, 2004 | 29 th March 2008 | 31 st January 2001 |
| Qualifications | MBA | MBA | Matriculation | B.Sc |
| Expertise in specific functional area | He has a good experience in Business Administrative and Financial Management. He also has experience in Local & International Marketing in the export Industry. | She is an Entrepreneur and carry rich experience in running a Pre-Primary schools In Delhi and Providing Primary Education to Under Privileged Children. She has also recently opened A full school in rural India; Chhatarpur, Madhya Pradesh as Part of the Group's CSR Activity | He worked in Accounts Departments with D.C.M for 4 years and thereafter he worked in its subsidiary companies for 16 years. Presently, he is running his own business of high design readymade garments in India as well as in the export market. | He has done Diploma in marketing from William Business College, Sydney, Australia and worked with Essar Group. Presently he is working as Senior Management Executive with Oxigen Services (India) Pvt.Ltd. For the last 8 years. |
| Directorship held in other Companies (excluding foreign Companies) | <ol style="list-style-type: none"> Fortcaps Healthcare Limited Fortune Stones Limited Iss International Limited Standard Chromates Pvt Ltd Fortune International Limited Jainesh Trading Company Private Limited Naomi Constructions Private Limited Highland Estates Private Ltd Vinay Multitrade Private Limited Santosh Exim Private Limited Subhra Trading Private Limited Redwire Developers Private Limited Interpack Developers Private Limited Bluevisual Multitrading Private Limited Besons Real Estate Private Limited Anvancetech Computers Private Limited Manish Management Consultancy Private Limited | <ol style="list-style-type: none"> Fortcaps Healthcare Limited Ambassador Cards And Gifts Private Limited Standard Chromates Pvt Ltd Abhinav Engineers Pvt.Ltd. Fortune Stones Limited ISS International Limited Fortune International Limited | <ol style="list-style-type: none"> Winter Wear India Private Limited Premier Needle Crafts Private Limited Abhinav Engineers Pvt.Ltd. Fortune Exports Private Limited Fortune Oceanic Products Limited Molind Engineering Limited Fortune Apa Optics Ltd. Fortune International Limited Fortune Polymer Industries Private Limited | <ol style="list-style-type: none"> Fortune International Limited Social Spender Private Limited Infinity Sez Private Limited Kalp Holding Private Limited P-Kal Infotech Private Limited |
| Chairmanship/ Membership of Committees (includes Audit Committee/ shareholders grievance committee) | <ul style="list-style-type: none"> Risk Management Committee Fortune International Limited | NIL | <ul style="list-style-type: none"> Audit Committee Fortune International Limited Nomination and Remuneration Committee Fortune International Limited Stakeholder Relationship Committee Fortune International Limited | <ul style="list-style-type: none"> Audit Committee Fortune International Limited Nomination and Remuneration Committee Fortune International Limited Stakeholder Relationship Committee Fortune International Limited |
| Number of shares held in Company | NIL | 37,26,868 | 2,700 | 15,300 |

DIRECTORS' REPORT

To,
The Members,
Fortune International Limited

Your directors have pleasure in presenting the Thirty Second Annual Report of Fortune International Limited ("the Company") along with the Audited Accounts for the year ended on 31st March, 2014.

1. BACKGROUND

Fortune International Limited is Government of India recognized Start Trading House, engaged in the business of manufacturing and exporting a number of product groups including engineering goods to various parts of the world.

2. FINANCIAL PERFORMANCE:

(Rs. in Lacs)

| Particulars | Current Year 2013-14 | Previous Year 2012-13 |
|---|--------------------------------|---------------------------------|
| Total Income | 7.24 | 25.37 |
| Profit/(Loss) before Depreciation, Interest, Tax and Amortization and Exceptional Items | 4.25 | 22.13 |
| Interest | 0.06 | 0.03 |
| Depreciation | 0.44 | 0.54 |
| Exceptional Items | - | 15.45 |
| Profit/(Loss) before Tax | 3.75 | 6.11 |
| Provision for Income Tax | - | - |
| Profit/(Loss) after Tax | 3.75 | 6.11 |
| Balance brought forward from previous year | (749.94) | (758.05) |
| Balance Carried over to the Balance Sheet | (746.19) | (749.94) |

3. FINANCIAL REVIEW

During the year under review, the management was unable to revive its export trading business due to lack of adequate resources, thereby there was no operating revenue. The income from non-operating sources reduced from Rs.25.37 lacs in previous year to Rs.7.23 lacs during the current financial year and Profit before tax has also been substantially reduced from 6.11 lacs in previous year to 3.75 lacs during the current year.

4. AMOUNT TRANSFERRED TO RESERVE

Pursuant to section 217 (1) (b) of the Companies Act, 1956, the Company has not made profit in the FY 2013-14. Therefore, no such amount transferred to reserves

5. BUSINESS OUTLOOK

The Company has been engaged in exporting a wide range of products to over 20 Countries including Hong Kong, Germany, Singapore, Russia, USA, UK, Japan, and Europe in the past. The Company identifies customers abroad through its branch offices agents and the marketing efforts by its directors. A multi-pronged strategy has been adopted with focus on quality, cost/ prices, enhanced the customer satisfaction and international levels of service. However, the export business is not like domestic business which has lot of problems in internal factor as well as external factor.

6. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company on March 31, 2014, was INR. 7.4 Crore, as per the shareholding pattern mentioned in clause 15 (c) of Corporate Governance report. Hence, there was no change in the Authorised or the Paid-up Capital/Subscribed Capital during FY 2013-14.

7. DIVIDEND

In view of unavailability of sufficient profits, the Board of Directors of the Company regrets their inability to recommend any dividend for the financial year ended 31st March, 2014.

8. DIRECTORS

In accordance with section 152 (6) of the Companies Act, 2013 and clause 127 of Articles of Association of the Company, Mr. Nivedan Bharadwaj (DIN-00040191), Whole-Time Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mr. Nivedan Bharadwaj is eligible and offers himself to get re-appointed at the ensuing Annual General Meeting with remuneration not exceeding of 120,000/-p.a.

Ms. Ruchika Bharadwaj, was appointed as an Additional Director on 05th April, 2014, whose term expires at the ensuing Annual General Meeting of the company. For the appointment of same the Company has received a notice in writing proposing her candidature for the office to be appointed as a Director of the Company subject to the approval of shareholders in the Annual General Meeting

9. AUDITORS**(i) Statutory Auditors**

M/s. L.N. Malik & Co, Chartered Accountants, (ICAI Firm Registration No. 015992N) were appointed as the Statutory Auditor of the Company at the Annual General Meeting ("AGM") held on 30th September 2013. The Company has obtained necessary certificate under Section 141 of the Act 2013 from the auditor conveying their eligibility for the above appointment has obtained eligibility certificate and consent letter from the statutory auditor stating their willingness to get re-appointed. The statutory auditor has completed Nine years of their term and eligible to hold office up to the conclusion of the Thirty Third Annual General Meeting of the Company. As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint M/s. L.N. Malik & Co, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Thirty Third AGM of the Company and authorize the Board of Directors to fix their remuneration.

(ii) Secretarial Auditor

As per section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report in this regard.

The Directors informs member that the Company has appointed Mr. Deepak Rane, Practicing Company Secretary (CP No.8717) as Secretarial Auditors for carrying out the secretarial audit for the financial year 2014-15 for attaching their report with the Board's report to the shareholders.

(iii) Internal Auditor

As per section 138 of the Companies Act, 2013 and (Rule 13) of the Companies (Accounts) Rules, 2014, the Company has appointed Mr. Pankaj Kumar, a qualified Chartered Accountant and member from the Institute of Chartered Accountants of India (ICAI) as an Internal Auditor of the Company. With Consultation of Internal Auditor, the Audit Committee will formulate scope, functioning, periodicity and methodology for conducting the internal audit of the Company.

10. AUDIT OBSERVATIONS

Auditors Observations are suitably explained in notes to the Accounts and are self-explanatory.

11. SUBSIDIARY COMPANY

The company does not have any subsidiary company at present. Therefore, Clause 49(III) of the Listing Agreement does not apply to the Company.

12. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any Public Deposits from the Public under section 58A of the Companies Act, 1956 and rules framed there under.

13. ACCOUNTS AND ACCOUNTING STANDARDS

The Company adheres to the Accounting Standards issued by The Institute of Chartered Accountants of India ("ICAI") in the preparation of its financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard issued by ICAI and in the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

14. PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Rules, 1975 as amended.

15. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities Statement, it is hereby confirmed:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors of the company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

16. PARTICULARS OF CONTRACT OR AGREEMENT WITH RELATED PARTY TRANSACTION

Pursuant to section 297 of the Companies Act, 1956, the Company has neither made any transaction with any related party and nor entered into any transaction with the related party

17. HUMAN RESOURCES

There are no employees as on date on the rolls of the Company who are in receipt of Remuneration which requires disclosures under Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975. During the year under review, relationship with the employees is cordial.

18. VIGIL MECHANISM

The Company is in the process of formulating a policy on vigil mechanism as required under the Companies Act 2013.

19. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provision of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors), directors furnish herein below the additional information

a. Conservation of Energy

Although the operation of the Company is not energy intensive, it continues to adopt energy conservation measure at all operational levels. The disclosure of particulars in the prescribed format A under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988, is not applicable to the company.

b. Technology Absorption

Your Company has not imported any technology during the year under review Foreign Exchange Earning and Outgo.

c. Foreign Exchange Earning and Outgo

During the year under review, there were no transactions in Foreign Currency.

20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

21. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies and other government and regulatory agencies and to convey their appreciation to Fortune customers, bankers, lenders, vendors 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 the Board of Director

**Sd/-
Nivedan Bhradwaj
Whole-Time Director
(DIN-00040191)**

**Sd/-
Rekha Shrivastava
Director
(DIN-00051261)**

Date: 30th May, 2014

Place: New Delhi

Regd. Office:

G - 4, C- Block Community Centre,
Naraina Vihar, New Delhi - 110028

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the Bombay Stock Exchanges the Company has followed the norms and clauses of Corporate Governance under clause 49 of the Listing Agreement, as followed below:

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. It emphasizes on long term prosperity of the Corporations while abiding with their National, Human, Social, Economic and Political Obligation. The Corporate Governance principle has become an important constituent for corporate success. The practice of good Corporate Governance has become a necessary prerequisite for any corporation to effective function in the globalised market scenario.

2. BOARD OF DIRECTORS

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company’s Management and directs, supervises and controls the activities of the Company.

a) Composition of Board:

- i. The size of the Board is commensurate with the size and business of the Company. In terms of Clause 49 of the Listing Agreement, to have fifty per cent of its directors as independent directors. At present, the Board comprises 5 Directors viz. Mr. Nivedan Bharadwaj (Whole-Time Director), Mrs. Rekha Srivastava (Non- Executive Director), Ms. Ruchika Bharadwaj (Non- Executive Director) Mr. Prashant Verma (Independent Director) and Mr. Madan lal Jain (Independent Director). Thus, the composition of the Company’s board is in conformity with the 3.II A of Listing Agreement.
- ii. Mr. Prashant Verma and Mr. Madan lal Jain, Independent directors of the Company, have the appropriate professional qualifications, accounting and related financial management expertise, detail resume given in part of Notice as required under the 3.II B of Listing Agreement.
- iii. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below

| Name of Director | Director Identification Number (DIN) | Category | Board Meetings Attended | Whether present at previous AGM held on 30 th September 2013 |
|------------------------|--------------------------------------|------------------------|-------------------------|---|
| Mr. Nivedan Bharadwaj | 00040191 | Whole-time director | 4/4 | YES |
| Mrs. Rekha Shrivastava | 00051261 | Non-Executive Director | 4/4 | YES |
| Mr. Madan Lal Jain | 00051418 | Independent Director | 4/4 | YES |
| Mr. Prashant Verma | 00328093 | Independent Director | 4/4 | YES |
| Ms. Ruchika Bharadwaj | 00288459 | Non-Executive Director | - | - |

Further the detail of the Board of Directors directorships, Committee Membership, Chairmanships:

| Name of Director | Director Identification Number (DIN) | Other Directorships* | Committee Memberships | Committee Chairmanships |
|------------------------|--------------------------------------|----------------------|-----------------------|-------------------------|
| Mr. Nivedan Bharadwaj | 00040191 | 16 | - | - |
| Mrs. Rekha Shrivastava | 00051261 | 9 | 3 | 1 |
| Mr. Madan Lal Jain | 00051418 | 8 | 3 | 2 |
| Ms. Ruchika Bharadwaj | 00288459 | 6 | - | - |
| Mr. Prashant Verma | 00328093 | 4 | 3 | - |

* includes private companies and companies incorporated outside India.

- iv. Four (4) Board Meetings were held during the financial year ended 31st March, 2014 and the gap between the two meetings did not exceed four months.
 - v. The Board meetings were held on 29th May, 2013, 03rd September, 2013, 08th November, 2013, 14th February 2014.
 - vi. None of the director resigned during the financial year 2013-14.
- b) None of the directors on the board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are directors. Chairmanship / membership of committees include only Audit, Nomination and Remuneration, Stakeholders Relationship Committee and Risk Management Committee as covered under Clause 49 of the Listing Agreement, as per the disclosures made by the directors.

3. BOARD COMMITTEES

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Shareholder Grievance Committee (renamed as “Stakeholders Relationship Committee”); Remuneration Committee (renamed as “Nomination and Remuneration Committee) and Risk Management Committee. All the committees have been reconstituted and renamed as per the Companies Act, 2013 and under clause 49 of the Listing Agreement. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

The Board has constituted following four Committees of Directors:

- i. Audit Committee
- ii. Nomination and Remuneration Committee (earlier “Remuneration Committee”)
- iii. Stakeholders' Relationship Committee(earlier “Shareholders / Investors Grievance and Share Transfer Committee”)
- iv. Risk Management Committee

(i) Audit Committee:

a) Composition of Audit Committee & Attendance at Meeting:

The Audit Committee of the Company comprises of three members. Four Audit Committee Meetings were held during the FY 2013-14 on 29th May 2014, 03rd September, 2013, 08th November, 2013, 14th February 2014. The necessary quorum was present for all the Meetings. The Audit Committee meetings are usually held at the registered office of the Company and are normally attended by the Chairman, Directors and representative of the Statutory Auditor.

| Name of Director | Director Identification Number (DIN) | Designation | Category |
|------------------------|--------------------------------------|-------------|------------------------|
| Mr. Madan Lal Jain | 00051418 | Chairman | Independent Director |
| Mr. Prashant Verma | 00328093 | Member | Independent Director |
| Mrs. Rekha Shrivastava | 00051261 | Member | Non-Executive Director |

Meeting and Attendance

| Name of Director | Director Identification Number (DIN) | No. of Audit Committee Meetings held | No. of Audit Committee Meetings Attended |
|------------------------|--------------------------------------|--------------------------------------|--|
| Mr. Madan Lal Jain | 00051418 | 4 | 4 |
| Mr. Prashant Verma | 00328093 | 4 | 2 |
| Mrs. Rekha Shrivastava | 00051261 | 4 | 4 |

The minutes of the meeting of the Audit Committee are placed before the Board and the company is following the recommendation of the Audit Committee. The composition of the Audit Committee is in conformity with the Listing Agreement.

b) Terms of Reference:

The Constitution of the audit committee also meets the requirements under section 117 of the Companies Act, 2013. The terms of reference and power of the audit committee are in line with those contained under clause 49 of the Listing Agreement.

c) Function of Audit Committee:

- a) Supervising the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(ii) Nomination and Remuneration Committee

a) Composition of Nomination and Remuneration Committee

The Remuneration Committee were renamed as "Nominations and Remuneration Committee" comprised of 3 Non-Executive Directors. The Committee recommends remuneration / compensation packages for the Executive Directors within prescribed limits from time to time.

| Name of Director | Director Identification Number (DIN) | Designation | Category |
|------------------------|--------------------------------------|-------------|------------------------|
| Mr. Madan Lal Jain | 00051418 | Chairman | Independent Director |
| Mr. Prashant Verma | 00328093 | Member | Independent Director |
| Mrs. Rekha Shrivastava | 00051261 | Member | Non-Executive Director |

b) Remuneration to Executive Director and Non Executive Directors

None of the Non Executive Director and Independent Directors are drawing any salary nor sitting fees for attending Board meeting or any commission from the Company except Mr. Nivedan Bharadwaj, Whole-Time Director who is drawing remuneration of Rs. 1, 20,000/- p.a.

There is no pecuniary relationship or transaction between any of the Non Executive Director and the Company.

No. of Equity Shares held by Directors

| Name | No. Of Equity Shares held | (%)Percentage of holding |
|------------------------|---------------------------|--------------------------|
| Mr. Nivedan Bharadwaj | NIL | NIL |
| Mrs. Rekha Shrivastava | 100000 | 1.42 |
| Mr. Madan Lal Jain | 2700 | 0.03 |
| Ms. Ruchika Bharadwaj | 3726868 | 52.94 |
| Mr. Prashant Verma | 15300 | 0.21 |

Terms of reference:

- a) Review the overall compensation policy, service agreement and employment condition of the Director and other employees of appropriate cadres with a view to motivating the best managerial talents, their remuneration packages.
- b) Evaluate the remuneration paid by comparable organization.
- c) Review the performance of the Directors and recommendations to the Board in this regard.
- d) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve

c) Stakeholder Relationship Committee

i. Composition of Stakeholder Relationship Committee

As per section 178 of the Companies Act 2013 the Investors Grievance and Share Transfer Committee were renamed as Stakeholders Relationship Committee. The Stakeholders Relationship Committee looks into the matter like transfer / transmission, issue of duplicate shares, non-receipt of declared dividend etc. and investigates the investor's complaints and takes necessary steps for redress thereof.

| Name | Designation | Category |
|------------------------|--------------------|-------------------------|
| Mrs. Rekha Shrivastava | Chairman | Non- Executive Director |
| Mr. Madan Lal Jain | Member | Independent Director |
| Mr. Prashant Verma | Member | Independent Director |

ii. Registrar and Transfer Agent (R & T Agent):

The Company, in order to expedite the process of share transfers, has delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

Purva Sharegistry (India) Private Limited has been appointed as the Registrar and Transfer (R & T) Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor's services. The Committee also advises on the matter enabling better investor services and relations. All matters connected with the share transfer, dividends and other matters are being handled by the STA located at the address mentioned elsewhere in this report.

iii. Complaints received and redressed during the year 2013-2014:

| Nature of Complaints | No. of Complaints received | No. of Complaints resolved | No. of Complaints pending | No Complaints were pending /outstanding |
|----------------------|----------------------------|----------------------------|---------------------------|---|
| NA | NIL | NIL | NIL | NIL |

d) Risk Management Committee:

The Company has constituted Risk Management Committee to inform the board for risk assessment, control and to mitigate the same arises if any in terms of business, market. The Committee comprised of Mr. Nivedan Bharadwaj (Whole-Time Director) and Mrs. Rekha Shrivastava (Non-Executive Director) of the Company. The Board has framed plan to monitor and manage the risk.

4. WOMAN DIRECTOR

Pursuant to section 139 of the Companies Act, 2013 and clause 3 II.A of the Listing Agreement, Mrs. Rekha Shrivastava is considered as a Woman Director.

5. SUBSIDIARY COMPANY

The Company does not have any subsidiary company at present. Therefore, provisions of Clause 49(III) of the Listing Agreement do not apply to the Company.- please check

6. OTHER DISCLOSURES

a. Related Party Transactions

There are no materially significant related party transactions i.e. transaction material in nature with its promoters, directors, their relatives or the management, subsidiaries of the Company etc. having potential conflict with the interest of the Company at large.

b. Statutory Compliance, Penalties and structures

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the years.

c. Accounting Standards

In preparation of the financial statements, the Company follows Accounting Standards issued by the Institute of Chartered Accountants of India.

d. Risk management:

The Company has formulated and laid down the procedure for assessment and minimization of risks. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.

e. Proceeds from Public Issue

There was no public issue of equity shares of the Company during the FY 2013-14.

f. Compliance with the Mandatory /Non Mandatory requirements.

The Company has made efforts to comply with requirements of clause 49 of the Listing Agreement, to the maximum extent possible.

7. CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing agreement, Mr. Anil Kukreja, Chief Financial Director (CFO), have issued certificate which forms a part of the Annual Report of the Company.

8. VIGIL MECHANISM (WHISTLE BLOWER POLICY):

The Company has not denied access to any personnel, to approach the management on any issue. The Company is in the process of formulating a policy on vigil mechanism as required under the Companies Act 2013.

9. RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified practising company secretary carries out a Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and place the report for perusal of the board. The RSC Audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

10. MEANS OF COMMUNICATION**(i) Quarterly Results:**

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as monthly sales update, results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

(ii) Newspapers wherein results are normally published:

The results are normally published in English Newspapers and Regional Newspaper in Delhi

(iii) Website:

The Company's website is www.fortuneinternational.in. This website contains the basic information about the Company, e.g., details of its business, code of conduct, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances and such other details as may be required under Clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

The Company has designated the following e-mail IDs, namely fil12033@gmail.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

Whenever the Company issues any press release, it is sent to the Stock Exchanges.

11. EMPLOYEES' STOCK OPTION SCHEMES (ESOP)

No employee has been issued share options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. - Please check

12. COMPLIANCE OFFICER

The Company is in process of appointing Company Secretary to act as a Compliance Officer of the Company. Due to vacancy of said officer, Mr. Nivedan Bharadwaj, is designated and acting as a Compliance Officer of the Company

13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

As stipulated in Clause 49 of the Listing Agreement, the auditor's certificate regarding Compliance of conditions of corporate governance is annexed to the Directors' Report.

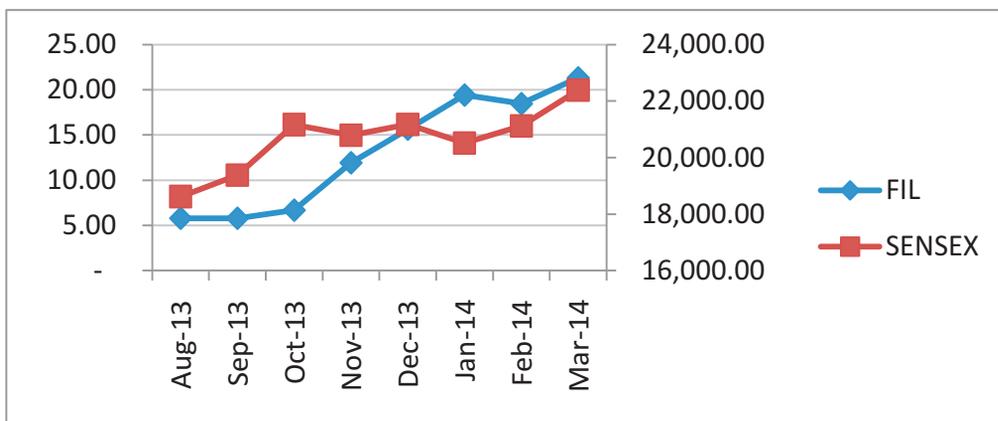
14. MARKET PRICE DATA:

The market price of the shares is available with the Company from August 2013 to March-2014:

| Month | BSE (Monthly) All Prices in ₹ | | | |
|-------------|-------------------------------|------------|-----------|-------|
| | Open | High Price | Low Price | Close |
| August 13 | 5.01 | 5.79 | 5.01 | 5.79 |
| October 13 | 6.07 | 6.68 | 6.07 | 6.68 |
| November 13 | 7.01 | 11.92 | 7.01 | 11.92 |
| December 13 | 12.15 | 15.64 | 12.15 | 15.64 |
| January 14 | 15.95 | 19.40 | 15.95 | 19.40 |
| February 14 | 19.40 | 19.40 | 18.45 | 18.45 |
| March 14 | 19.35 | 21.30 | 19.35 | 21.30 |

**No Trading took place between April-13 to July-13 & September 13*

15. (A) PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX, Etc.



(B) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014:

| Range (in Rs) | Number of Shareholders | % of Shareholder | Amount in Rs. | % of Paid up Capital. |
|--------------------|------------------------|------------------|-----------------|-----------------------|
| 0001- 5000 | 2124 | 93.40 | 2770670 | 3.94 |
| 5001-10,000 | 63 | 2.77 | 540690 | 0.77 |
| 10,001- 20,000 | 37 | 1.63 | 568000 | 0.81 |
| 20,001- 30,000 | 7 | 0.31 | 183000 | 0.26 |
| 30,001- 40,000 | 3 | 0.13 | 112000 | 0.16 |
| 40,001- 50,000 | 7 | 0.31 | 332000 | 0.47 |
| 50,001- 1,00,000 | 9 | 0.40 | 855000 | 1.21 |
| 1,00,000-and above | 24 | 1.06 | 65038640 | 92.38 |
| Total | 2274 | 100.00 | 70400000 | 100.00 |

(C) SHAREHOLDING PATTERN AS ON 31ST MARCH 2014:

| Category | No. of shares held | Percentage to shareholding (%) |
|--------------------------------------|--------------------|--------------------------------|
| Foreign Companies | NIL | NIL |
| Non Resident | 769 | 0.01 |
| Foreign Financial Institution | NIL | NIL |
| Financial Institutions | NIL | NIL |
| Mutual Fund | NIL | NIL |
| Promoters | 3826868 | 54.36 |
| Director Relative | NIL | NIL |
| Resident Individual | 2077748 | 29.51 |
| Nationalized Bank | NIL | NIL |
| Other Bodies corporate | 1134045 | 16.11 |
| HUF | 570 | 0.01 |
| Employee | NIL | NIL |
| In Transit | NIL | NIL |
| Others (shares underlying under GDR) | NIL | NIL |
| Total | 7040000 | 100 |

(D) SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM:

As on March 31, 2014, 9.82 percent of the Company's shares were held in dematerialized form and the remaining 90.18 percent in physical form. The break up is listed below

| Shares in Form | No. of shares | % held |
|----------------|----------------|------------|
| N.S.D.L | 85110 | 1.21 |
| C.D.S.L | 605990 | 8.61 |
| Physical | 6348900 | 90.18 |
| Total | 7040000 | 100 |

16. OUTSTANDING GDRS/ ADRS/WARRANTS/ CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY:

The Company has not issued any GDR/ADRs/ Warrants or any convertible instruments. No amounts were outstanding on accounts of the same as on the date of the Balance Sheet.

17. NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Particulars of Directors to be re-appointed at the ensuing Annual General Meeting is given under the note no.2 of the Notice convening the meeting.

18. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report are appended to and forms part of the Annual Report.

19. CODE OF CONDUCT

The Code of Conduct of employees, Senior Manager Level employees and Board of Directors are displayed on the website of the Company under the head Code of Conduct.

20. GENERAL BODY MEETINGS

1. Annual General Meetings

Details of Special Resolution passed in the previous three Annual General Meetings are given below:

| Year | Venue | Date & Time | Special Resolution Passed |
|-----------|--|------------------------------------|------------------------------|
| 2010 - 11 | G-22, Shahi Road, Bijwasan, New Delhi- 110061 | 20th July 2011 10.00 a.m. | No Special Resolution passed |
| 2011 - 12 | G-22, Shahi Road, Bijwasan, New Delhi- 110061 | 28th September, 2012 10.00 a.m. | No Special Resolution passed |
| 2012-13 | G - 3, C - Block, Community Centre, Naraina Vihar, New Delhi-110 028 | 27th September, 2013 10.00 a.m. | No Special Resolution passed |

All the Resolutions were passed with requisite majority.

2. Postal Ballot

No Special Resolution was passed though Postal Ballots during the financial year and no special resolution is being proposed to be conducted though postal ballot

21. SHAREHOLDER

a) GENERAL SHAREHOLDER INFORMATION

| | |
|--|---|
| Date, Time and Venue of AGM | 30th September, 2014 at 10.00 am G-3, First Floor, C-Block, Community Centre, Naraina Vihar, New Delhi-110 028 |
| Financial Year | April 1, 2013- March 31, 2014 |
| Dates of Book Closure | 25th September 2014 to 30th September , 2014(both days inclusive) |
| Dividend Payment Date | There is no dividend recommended by the Board |
| Listing on Stock Exchange | 1. Bombay Stock Exchange Ltd 2. Delhi Stock Exchange Association Limited 3. Madras Stock Exchange Limited 4. Calcutta Stock Exchange Association Limited |
| BSE Scrip Code | 530213 |
| Scrip name | FORINTL |
| International Security Identification Number (ISIN) | INE501D01013 |

b) SHARE TRANSFER SYSTEM

Purva Sharegistry (India) Private Limited has been appointed as Registrar & Share Transfer Agent of the Company.

Address for communication for Shareholding related queries is as follows:
M/s. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate
J.R. Boricha Marg, Lower Parel (E)
Mumbai – 400011
Email ID: busicomp@gmail.com
Website: www.purvashare.com
Tel : 91-22-2301 6761 / 8261
Fax: 91-22-2301 2517

c) BOOK CLOSURE DATES

September 25, 2014 to September 30, 2014
(Both days inclusive)

d) ADDRESS FOR CORRESPONDANCE:

Mr. Nivedan Bharadwaj
Wholetime Director
Regd. Office:
Fortune International Limited
G-3, First Floor, C-Block, Community Centre,
Naraina Vihar, New Delhi-110 028

Date: 4th September, 2014
Place: New Delhi

By order of the Board of Directors

Sd/-
Rekha Srivastava
Director
(DIN-00051261)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Fortune International Limited presents the analysis of the performance of the Company for the year 2013-14 and its outlook for the future. This outlook is based on an assessment of the current business environment. It may vary due to future economy and other developments both in India and Abroad.

1. Industry structure and developments.

The Indian products have a huge demand in the foreign markets. The export business in India has been flourishing and according to reports it contributes a huge share to the development of the country. The Indian exporters have succeeded in standing the stiff competition prevalent in the foreign markets through skilled manpower and quality products.

2. Opportunities and Threats.

Indian exporters have a healthy competition with neighboring countries which has further led to the growth of export sector in the Country. The government has created new opportunities by introducing several policies to augment the export sector. The introduction of various trade policies have led to a substantial flow of foreign currency. There are certain opportunities and strengths in the export business which has been specified below.

OPPORTUNITIES

- An unfulfilled customer need.
- Arrival of new technologies.
- Loosening of regulations.
- Removal of international trade barriers.
- Patents
- Strong brand names.
- Good reputation among customers.
- Cost advantages from proprietary know-how.
- Exclusive access to high grade natural resources.
- Favorable access to distribution networks.

THREATS

- Changes in the external environmental also may present threats to the firm. Some examples of such threats include:
 - Shifts in consumer tastes away from the firm's products
 - Emergence of substitute products.
 - New regulations. International labor and environmental Laws.
 - Increased trade barriers
 - Threat for traditional market facing the product diversification;
 - Competition from other developing countries, especially China;

3. Risks and concerns.

Export business can be a great opportunity, but it is risky and challenging at the same time which is totally different from those encountered domestically. Increasing competition remains the major problem of the industry especially with China. Risk can be identified in the following factors:

- a) **Political Risk:** The Country where our client is located may experience major political instability. Such instability could result in defaults on payments, confiscation of property, exchange transfer blockages etc.
- b) **Legal Risk:** At domestic level, businesses are subject to a myriad of laws, regulations, and restrictions. But there are much more complexities in international business. International transactions are governed by unilateral measures, bilateral relationships, multilateral and regional agreements. The differences in law may have impact in such areas as taxation, currency dealings, and property rights and employments practices.

c) **Credit Risk:** While doing business internationally, trading can seem complicated and risky. Besides political, legal and other risks, the most common problem businesses face is the risk in the transaction.

d) **Exchange Rate Risk:** Our major business involves export to the other Countries and the transactions are primarily done in the currency of US dollars (US\$). The exchange rate between the Rupee and the U.S. Dollar has changed substantially in the last two decades and could fluctuate substantially in the future. Fluctuations in Indian Rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations.

4. Internal control systems and their adequacy.

Your company has a well settled internal control system and policies and procedures for operations accounting and financial reporting as well as compliance. An effective internal Audit function adds the elements of completeness to the System of Internal Control, The Internal Auditor are an Independent firm who present their finding and report to the Audit Committee on the regular basis.

5. Discussion on financial performance with respect to operational performance.

The Board has discussed the performance of the Company in its Board's Report

6. Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company realized and understands that the human resources are the most valuable assets that it has and it takes pains to see that there are not overlook in the process of trying business and profit The Company also understand that it depends on the experience ability skills and knowledge of his employee and therefore takes pains to encourage them to expand the knowledge and as and when as required sends them for courses which will develop their skills and knowledge. The Company also offers attractive remuneration, conducive working atmosphere. The Company had peaceful industrial relation with employees and the company continues to focus on Human Resource Development to enhance the employee performance and promote knowledge integration

7. Cautionary Statement

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon the economic conditions, government policies and other incidental/ related factors.

Date: 04th September, 2014

Place: New Delhi

By order of the Board of Directors

**Sd/-
Rekha Srivastava
Director
(DIN-00051261)**

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To
The Members,
Fortune International Limited

We have examined the compliance of conditions of Corporate Governance by Fortune International Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement. We further 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.

Sd/-
Deepak Rane
Practicing Company Secretary
A.C.S No 24110 & C.P No: 8717
Date : 4th September, 2014
Place: Mumbai

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

In accordance with clause 49 of the listing agreements with the Bombay Stock Exchange Ltd, to the best of my knowledge and belief and on the basis of declaration given to me, I hereby affirm that all the Directors and the senior Managements personal have affirmed compliance with the code of conduct as laid down by the company as applicable to them for the financial year ended on 31st March, 2014.

Sd/-
Nivedan Bharadwaj
Whole Time Director
(DIN-00040191)

Date : 4th September, 2014
Place: New Delhi

CEO/CFO CERTIFICATION

The Board of Directors
Fortune International Limited
G-4, C-Block, Community Centre,
Naraina Vihar, New Delhi-110 028

I, Anil Kukreja, Chief Financial Officer (CFO) of **Fortune International Limited** ("the Company") do certify to the Board that:-

- a. I have reviewed the Balance Sheet and the Profit and Loss Account and all the schedules and notes on accounts as well as the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:
 - (i) the said statements do not contain any false, misleading or materially untrue statement or figures or omit any material fact, which may make the statement or figures contain therein misleading; and
 - (ii) the said statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. I further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee that
 - (i) There have been no significant changes in internal control over financial reporting during the year;
 - (ii) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There has been no commitment of any fraud, whether or not significant, that involves Management or other employee who have a significant role in the company's internal controls.

For Fortune International Limited
Sd/-
Anil Kumar Kukreja
Chief Financial Officer

Date : 4th September, 2014
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Fortune International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Fortune International Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss, and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of Statement of the Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act , 1956(the Act) read with the General Circular 15/2013 dated 13th September ,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For L. N. MALIK & CO.
Chartered Accountants
FRN: 015992N

Place: New Delhi
Date: 30.05.2014

Sd/-
L. N. MALIK
Partner
M.No. 010423

**Annexure to the auditors' Report – March 31, 2014
(Refereed to in paragraph 3 of our report of even date)**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company physically verifies the fixed assets on a rotational basis and accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) As the company has not purchased/sold goods during the year nor there is any opening stock, requirement of reporting of physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- (iii) The Company has taken interest free loan from 3 parties covered in the register maintained under section 301 of the Companies Act, 1956. The closing balance in respect of total loan taken as on 31.3.2014 is Rs.2,88,73,000 /-.Further the company has not granted any loans, secured or unsecured to the parties stated in the register maintained u/s 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of any parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
- (ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, customs duty, excise duty, cess and other statutory dues have been regularly deposited by the company with the appropriate authorities in all cases during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of sales tax, Income-tax, Custom duty, Wealth-tax, Service Tax, Cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the company have exceeded fifty per cent of its net worth as at 31st March 2014. The company has not incurred cash loss in the current year and as well as in the immediately preceding financial year.
- (xi) According to records of the company, the company has not borrowed from financial institutions or banks or issued debentures during the year. Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.

- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual fund/benefit fund/societies.
- (xiv) The company does not deal or trade in shares, securities, debentures and other investments. Therefore paragraph (xiv) of order is not applicable.
- (xv) According to the information and explanations given to us , the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not obtained any term loan or applied any term loan during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company as at March 31, 2014, we report that no funds raised on short term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xix) The company did not have any debentures outstanding during the year.
- (xx) The Company has not raised any money through a public issue during the period covered by our audit report.
- (xxi) According to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For L.N. MALIK & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 015992N

Sd/-
L. N. MALIK
PARTNER.
Membership No. 10423.
Place: New Delhi
Dated: 30.05.2014

BALANCE SHEET AS AT 31ST MARCH, 2014

| Particulars | Notes | AS AT 31/03/2014 | AS AT 31/03/2013 |
|---|-------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| <u>(1) Shareholder's Funds</u> | | | |
| (A) Share Capital | 1 | 70,400,000 | 70,400,000 |
| (b) Reserves and Surplus | 2 | (74,619,212) | (74,994,338) |
| (c) Money received against share warrants | | - | - |
| <u>(2) Share Application money pending allotment</u> | | | |
| <u>(3) Non-Current Liabilities</u> | | | |
| (a) Long-Term Borrowings | 3 | 28,873,000 | 28,883,000 |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Other Long Term Liabilities | | - | - |
| (d) Long Term Provisions | | - | - |
| <u>(4) Current Liabilities</u> | | | |
| (a) Short-Term Borrowings | | - | - |
| (b) Trade Payables | | - | - |
| (c) Other Current Liabilities | 4 | 21,862,341 | 22,562,297 |
| (d) Short-Term Provisions | | - | - |
| Total Equity & Liabilities | | 46,516,129 | 46,850,959 |
| II. ASSETS | | | |
| <u>(1) Non-Current Assets</u> | | | |
| <u>(a) Fixed Assets</u> | | | |
| (i) Tangible Assets | 5 | 213,043 | 256,897 |
| (ii) Intangible Assets | | - | - |
| (iii) Capital Work In Progress | | - | - |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | | - | - |
| (e) Other non-current assets | | - | - |
| <u>(2) Current Assets</u> | | | |
| (a) Current investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivables | 6 | 45,204,860 | 45,204,860 |
| (d) Cash and cash equivalents | 7 | 68,806 | 278,676 |
| (e) Short-term loans and advances | 8 | 1,029,420 | 1,110,527 |
| (f) Other current assets | | - | - |
| Total Assets | | 46,516,130 | 46,850,959 |

Notes forming integral part of the financial statement 1 to 14

As per our report of even date attached

for **L.N. MALIK & CO.**

CHARTERED ACCOUNTANTS

Sd/-

(L. N. MALIK)

(Partner)

Membership No. : 010423

Firm Reg. No.: 015992N

Place : New Delhi

Date : 30/05/2014

Sd/-

A.K. Kukreja
(g.m. Finance)

Sd/-

Rekha Shrivastava
(Director)
(DIN - 00051261)

Sd/-

Nivedan Bharadwaj
Whole Time director
(DIN - 00040191)

FOR FORTUNE INTERNATIONAL LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING ON 31ST MARCH, 2014

| Particulars | Notes | AS AT 31/03/2014 | AS AT 31/03/2013 |
|---|-------|---------------------|------------------|
| <u>Income:</u> | | | |
| Revenue from operations | | - | - |
| Other Income | 9 | 723,867 | 2,537,260 |
| Total Revenue | | 723,867 | 2,537,260 |
| <u>Expenses:</u> | | | |
| Cost of Materials Consumed | | - | - |
| Purchases of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | | - | - |
| Employee Benefits Expenses | 10 | 120,000 | 120,000 |
| Financial Costs | 11 | 6,107 | 3,035 |
| Depreciation and Amortization Expense (Refer Schedule 3) | 12 | 43,854 | 53,500 |
| Other Expenses | 13 | 178,780 | 204,711 |
| Total Expenses | | 348,741 | 381,246 |
| Profit/Loss before exceptional and extraordinary items and tax | | 375,126 | 2,156,014 |
| Exceptional Items | | - | 1,544,950 |
| Loss before extraordinary items and tax | | 375,126 | 611,064 |
| Extraordinary Items | | - | - |
| Profit before tax | | 375,126 | 611,064 |
| <u>Tax expense:</u> | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Profit(Loss) from the period from continuing operations | | 375,126 | 611,064 |
| Profit/(Loss) from discontinuing operations | | - | - |
| Profit/(Loss) from Discontinuing operations | | - | - |
| Profit/(Loss) for the period | | 375,126 | 611,064 |
| Earning per equity share: | | | |
| (1) Basic | | 0.05 | 0.09 |
| (2) Diluted | | 0.05 | 0.09 |

Notes forming integral part of the financial statement 1 to 14

As per our report of even date attached

for **L.N. MALIK & CO.**

CHARTERED ACCOUNTANTS

FOR FORTUNE INTERNATIONAL LTD.

Sd/-

(L. N. MALIK)

(Partner)

Membership No. : 010423

Firm Reg. No.: 015992N

Place : New Delhi

Date : 30/05/2014

Sd/-

A.K. Kukreja
(g.m. Finance)

Sd/-

Rekha Shrivastava
(Director)
(DIN - 00051261)

Sd/-

Nivedan Bharadwaj
Whole Time director
(DIN - 00040191)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2014

| | 2013-14 | 2012-13 |
|---|------------------|---------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit/ Loss before tax as per profit & Loss Account | 375,126 | 611,064 |
| Net Prior Year Adjustments | | |
| Fixed Assets written off (net) | - | - |
| Loss on Sale of vehicle | - | - |
| Depreciation | 43,854 | 53,500 |
| Balances Written Back | - | - |
| Bad Debts written off | - | - |
| Interest Income | - | (25,000) |
| Profit on Sale of Assets | - | - |
| Lease Rent | - | - |
| Misc Income | - | - |
| Interest and Finance Charges | - | - |
| Operating Profit before Working Capital Change | 418,979 | 639,564 |
| <u>Adjusted for:</u> | | |
| Trade Receivables | - | 446,067 |
| Short term Loan & Advances | 81,107 | 2,007,994 |
| Trade Payables | - | - |
| Other Current Liabilities | (699,956) | 12,378,713 |
| Cash Generated from Operations | (199,870) | 15,472,338 |
| Taxes Paid/Written off | - | - |
| Net Cash Inflow from Operating Activities | (199,870) | 15,472,338 |
| B CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchases of Fixed Assets | - | - |
| Sale of Fixed Assets | - | - |
| Sale of Investments | - | - |
| Interest Income | - | 25,000 |
| Lease Rent | - | - |
| Misc Income | - | - |
| Net Cash flow in Investing Activities | - | 25,000 |
| C CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Repayments of Long Term Borrowings | (10,000) | (15,477,805) |
| Interest and Finance Charges | - | - |
| Net Cash Outflow from Financing Activities | (10,000) | (15,477,805) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | (209,870) | 19,533 |
| Opeing Banlance of Cash and Cash Equivalents | 278,676 | 259,143 |
| Closing Balance of Cash and Cash Equivalents | 68,806 | 278,676 |

As per our report of even date attached

for L.N. MALIK & CO.
CHARTERED ACCOUNTANTS

FOR FORTUNE INTERNATIONAL LTD.

Sd/-
(L. N. MALIK)
(Partner)
Membership No. : 010423
Firm Reg. No.: 015992N
Place : New Delhi
Date : 30/05/2014

| | | |
|----------------|-------------------|---------------------|
| Sd/- | Sd/- | Sd/- |
| A.K. Kukreja | Rekha Shrivastava | Nivedan Bharadwaj |
| (g.m. Finance) | (Director) | Whole Time director |
| | (DIN - 00051261) | (DIN - 00040191) |

Notes Forming Part of the Profit & Loss Accounts for the year ending on 31st March, 2014

Note : 1 Share Capital

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|---|----------------------|----------------------|
| 1 | AUTHORIZED CAPITAL 71,60,000 Equity Shares of Rs. 10/- each. 40,000 10 % Cumulative Preference Share of Rs. 10/- each. | 71,60,000 400,000 | 71,60,000 400,000 |
| | | 72,00,000 | 72,00,000 |
| 2 | ISSUED , SUBSCRIBED & PAID UP CAPITAL 70,40,000 Equity Shares of Rs. 10/- each. Fully paid up. | 70,40,000 | 70,40,000 |
| | Total | 70,40,000 | 70,40,000 |

*** Reconciliation of Numbers of Shares**

| S. No | Particulars | 2013-2014 | 2012-2013 |
|-------|--|---------------|---------------|
| | | No. of Shares | No. of Shares |
| 1 | EQUITY SHARES Opening Balance at beginning of the year | 7,040,000 | 7,040,000 |
| | Add: Fresh Issue | - | - |
| | Less: Buy Back | - | - |
| | Closing Balance at the end of the year | 7,040,000 | 7,040,000 |

*** Details of Shareholders holding more than 5% Shares of the company**

| S. No | Name of Shareholder | AS AT 31/03/2014 | | AS AT 31/03/2013 | |
|-------|--------------------------------|--------------------|--------------|--------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | Ruchika Shrivastava- Bharadwaj | 3,726,868 | 52.94 | 3,726,868 | 52.94 |
| 2 | Rekha Shrivastava | 100,000 | 1.42 | 100,000 | 1.42 |
| 3 | Quest Profin Advisor Pvt Ltd | 600,000 | 8.52 | 600,000 | 8.52 |
| 4 | Pankaj Paliwal | 541,996 | 7.70 | 541,996 | 7.70 |
| 5 | Nimesh N. Shah | 390,000 | 5.54 | 390,000 | 5.54 |
| 6 | Kalpesh R. Koradia | 390,000 | 5.54 | 390,000 | 5.54 |

Note : 2 Reserve & Surplus

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|---|---------------------|---------------------|
| 1 | PROFIT & LOSS ACCOUNT Opening Balance | (74,994,338) | (75,605,401) |
| | Add:- Net Profit after Tax transferred from Statement of Profit & Loss A/c | 375,126 | 611,064 |
| | Closing Balance | (74,619,212) | (74,994,338) |
| | Total | (74,619,212) | (74,994,338) |

Note : 3 Long Term Borrowings

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|----------------------|---------------------|---------------------|
| | UNSECURED | | |
| 1 | Loans From Directors | 21,250,000 | 6,400,000 |
| 2 | Others | 7,623,000 | 22,483,000 |
| | Total | 28,873,000 | 28,883,000 |

Note : 4 Other Current Liabilities

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|--------------|------------------------------------|---------------------|---------------------|
| 1 | Advance From Customers | 21,386,885 | 21,386,885 |
| 2 | Audit Fee Payable | 39,326 | 19,663 |
| 3 | Director Remuneration Payable | 30,000 | 10,000 |
| 4 | TDS Professional Payable | - | 1,011 |
| 5 | Superannuation Payable to Employee | 406,109 | 1,126,109 |
| 6 | EPF Inspection Charges | 21 | 28 |
| 7 | Others | - | 18,601 |
| Total | | 21,862,341 | 22,562,297 |

Note : 6 Trade Receivables

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|--------------|---|---------------------|---------------------|
| 1 | Outstanding for more than six months | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | - |
| | c) Doubtful | 45,204,860 | 45,204,860 |
| 2 | Others | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | - |
| | c) Doubtful | - | - |
| Total | | 45,204,860 | 45,204,860 |

* 10% amount of invoice value which is payable by Ministry of Food, Government of Bangladesh after inspection of the goods and other formalities has not yet received inspite of serious efforts made by the company, amounting to Rs.2,14,47,920/- is outstanding since last 12 years and seems doubtful of recovery.

* Balance of Trade Receivables i.e. Rs 2,37,56,940 is subject to confirmation and is doubtful of recovery.

Note : 7 Cash & Cash Equivalent

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|------------------------|--|---------------------|---------------------|
| 1 | Cash-in-Hand | | |
| | Cash Balance | 11,336 | 1,975 |
| | Sub Total (A) | 11,336 | 1,975 |
| 2 | Bank Balance | | |
| | i) Central Bank of India - Chennai | 9,808 | 9,808 |
| | ii) Central Bank of India - Kakinada | - | 5,345 |
| | iii) ICICI Bank Ltd | 10,861 | 10,974 |
| | iv) Indian Bank - Chennai | 6,373 | 6,373 |
| | v) Punjab National Bank ICD Tuglakabad | 1,923 | 1,923 |
| | vi) SBI Nava Sheva - Bombay | 9,765 | 9,765 |
| | vii) State Bank of Bikaner & Jaipur | 18,740 | 232,513 |
| | Sub Total (B) | 57,470 | 57,469 |
| Total [A + B] | | 68,806 | 278,676 |

The above bank balances marked with (#) are subject to confirmation

Notes Annexed to and Forming Part of Balance Sheet as on 31st March, 2014

Note : 5 Fixed Asset

| S. No | Particulars | Rate | Gross Block | | | Depreciation | | | Net Block | | | |
|-------|--|--------|------------------|----------------------------|-----------------------------|------------------|------------------|----------------------------|-----------------------------|------------------|----------------------|----------------------|
| | | | As on 01.04.2013 | Addition during the period | Deduction during the period | As on 31.03.2014 | As on 01.04.2013 | Addition during the period | Deduction during the period | As on 31.03.2014 | WDV as on 31.03.2014 | WDV as on 31.03.2013 |
| I | Tangible Assets | | | | | | | | | | | |
| 1 | Electric Fitting | 13.91% | 30,588 | - | - | 30,588 | 30,134 | 63 | - | 30,197 | 391 | 454 |
| 2 | Furnitures & Fixtures | 18.10% | 2,687,794 | - | - | 2,687,794 | 2,642,951 | 8,117 | - | 2,651,068 | 36,726 | 44,843 |
| 3 | Office Equipment | 18.10% | 3,567,789 | - | - | 3,567,789 | 3,441,018 | 22,946 | - | 3,463,964 | 103,825 | 126,771 |
| 4 | Air Conditioners | 13.91% | 1,509,905 | - | - | 1,509,905 | 1,430,267 | 11,078 | - | 1,441,345 | 68,560 | 79,638 |
| 5 | Air Coolers | 13.91% | 77,109 | - | - | 77,109 | 75,472 | 228 | - | 75,700 | 1,409 | 1,637 |
| 6 | Computer | 40.00% | 21,250 | - | - | 21,250 | 17,696 | 1,422 | - | 19,118 | 2,132 | 3,554 |
| | Sub-Total (A) | | 7,894,435 | - | - | 7,894,435 | 7,637,538 | 43,854 | - | 7,681,392 | 213,043 | 256,897 |
| II | Intangible Assets | | | | | | | | | | | |
| | Sub-Total (B) | | - | - | - | - | - | - | - | - | - | - |
| III | Capital Work In Progress | | | | | | | | | | | |
| | Sub-Total (C) | | - | - | - | - | - | - | - | - | - | - |
| IV | Intangible Assets under Development | | | | | | | | | | | |
| | Sub-Total (D) | | - | - | - | - | - | - | - | - | - | - |
| | Total (A+B+C+D) | | 7,894,435 | - | - | 7,894,435 | 7,637,538 | 43,854 | - | 7,681,392 | 213,043 | 256,897 |
| | Previous Year Figure | | 7,894,435 | - | - | 7,894,435 | 7,584,038 | 53,500 | - | 7,637,538 | 256,897 | 310,397 |

Note : 8 Short Terms Loans and Advances

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|--|---------------------|---------------------|
| 1 | Loans & Advances to related parties a) Secured, Considered Good : b) Unsecured, Considered Good : Advance to Associate Concerns c) Doubtful | - | - |
| 2 | Others <i>Advance Recoverable in cash or in kind or for value to be considered good</i> Advance Income Tax/Refund Due Prepaid Expenses- CDSL | 1,012,873 16,547 | 1,077,436 33,091 |
| | Total | 1,029,420 | 1,110,527 |

Note : 9 Other Income

| S. No | Particulars | ₹ AS AT 31/03/2014 | ₹ AS AT 31/03/2013 |
|-------|-------------------------------|--------------------------|--------------------------|
| 1 | Miscellaneous Income | 720,000 | 2,500,000 |
| 2 | Interest Received | - | 25,000 |
| 3 | Interest on Income Tax Refund | 3,867 | 11,490 |
| 4 | Dividend | - | 770 |
| | Total | 723,867 | 2,537,260 |

Note : 10 Employees Benefits Expenses

| S. No | Particulars | ₹ AS AT 31/03/2014 | ₹ AS AT 31/03/2013 |
|-------|-------------------------|--------------------------|--------------------------|
| 1 | Directors' Remuneration | 120,000 | 120,000 |
| | Total | 120,000 | 120,000 |

Note : 11 Financial Expenses

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|---------------------------|---------------------|---------------------|
| 1 | Bank Charges & Commission | 6,107 | 3,035 |
| | Total | 6,107 | 3,035 |

Note : 12 Depreciation & Amortised Cost

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|---------------------------------|---------------------|---------------------|
| 1 | Depreciation on Tangible Assets | 43,854 | 53,500 |
| | Total | 43,854 | 53,500 |

Note : 13 Other Expenses

| S. No | Particulars | AS AT 31/03/2014 | AS AT 31/03/2013 |
|-------|--|---------------------|---------------------|
| 1 | Printing & Stationery Expenses | 3,709 | 2,217 |
| 2 | Postage & Telegram & Courier | 657 | 10,327 |
| 3 | Conveyance / Tour & Traveling Expenses | - | 1,671 |
| 4 | Auditors Remuneration | 19,663 | 19,663 |
| 5 | Miscellaneous Expenses | 2,390 | 2,271 |
| 6 | A.G.M. Expenses | 19,647 | 20,045 |
| 7 | Filing Fees | 2,000 | 2,000 |
| 8 | RTA Charges - Share Transfer Charges | 43,401 | 40,773 |
| 9 | Professional Charges | 24,000 | 36,500 |
| 10 | Listing Fees | 28,090 | 28,605 |
| 11 | Advertisement & Publicity | - | 2,117 |
| 12 | Accounting Charges | 4,000 | 4,000 |
| 13 | Custody Charges NSDL & CDSL | 30,589 | 34,522 |
| 14 | TDS Demand A.Y. 2007-2008 | 550 | - |
| 15 | EPF Inspection Charges | 84 | - |
| | Total | 178,780 | 204,711 |

Note - 14 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES & PRACTICES

- a) Fixed Assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on a pro-rata basis at the WDV rates prescribed in the schedule XIV of the Companies Act, 1956. WDV has been arrived at after charging of depreciation on yearly basis.
- b) Stock in trade is valued at cost or market value whichever is lower.
- c) Investments are stated at cost.

2. Contingent Liabilities

| <u>CONTINGENT LIABILITIES</u> | <u>CURRENT YEAR</u> | <u>PREVIOUS YEAR</u> |
|-------------------------------|---------------------|----------------------|
| In respect of Bank Guarantees | Nil | Nil |

3. Quantitative & Value information: Not Applicable since there is no opening & closing stock.

4. Consumption of imported and indigenous materials and percentage thereof to total consumption, Raw Materials, Sub-assemblies and Components Consumed. - NIL

| | <u>CURRENT YEAR</u> | <u>PREVIOUS YEAR</u> |
|---|---------------------|----------------------|
| 5. <u>EXPENDITURE IN FOREIGN EXCHANGE</u> | Nil | Nil |
| 6. <u>EARNING IN FOREIGN EXCHANGE</u> | Nil | Nil |
| 7. <u>PAYMENT TO AUDITORS</u> | | |
| Auditor' Remuneration | 19,663 | 19,663 |
| 8. <u>PAYMENT TO DIRECTORS</u> | | |
| Directors' Remuneration | 1,20,000 | 1,20,000 |

9. In Compliance of Accounting Standard -18 on related party disclosures issued by the Institute of Chartered Accountants of India, the required information is given as under.

1. List of Related Parties

a) Directors and Key Managerial Person

- 1. Mrs. Rekha Shrivastava
- 2. Mr. Nivedan Bharadwaj
- 3. Mr. Madanlal Jain
- 4. Mr. Prashant Verma

b) Relatives of Directors

- 1. Ruchika Shrivastava - Bharadwaj
- 2. Anu Malhotra
- 3. Radhika Shrivastava

c) The entities and the associations in which Directors are interested

- 1. M/s. Ganga Agencies
- 2. Fortune Stones Ltd
- 3. ISS International Ltd

10. Transaction with Related Parties

| S. No | Name of Party | Nature of Transaction | Transaction during the year (In Rs) | Bal as on 31.03.2014 (In Rs) | Bal as on 31.03.2013 (In Rs) |
|-------|--------------------|------------------------|--|---------------------------------|---------------------------------|
| 1. | Nivedan Bharadwaj | Remuneration | 1,20,000 | 30,000 | 10,000 |
| 2. | Anu Malhotra | Un secured Loan repaid | 63,50,000 | NIL | 63,50,000 |
| 3. | M L Jain | Unsecured Loan | - | 35,50,000 | 35,50,000 |
| 4. | Radhika Shrivastva | Unsecured Loan repaid | 49,60,000 | NIL | 49,60,000 |
| 5. | Rekha Shrivastva | Unsecured Loan taken | 1,13,00,000 | 1,77,00,000 | 64,00,000 |
| 6. | Ruchika Bharadwaj | Unsecured Loan | - | 76,23,000 | 76,23,000 |

11. Deferred tax assets have not been recognized and carried forward as there is no certainty of any further taxable income.
12. Provision for Income tax has not been made in the absence of taxable income.
13. Superannuation Payable to employees is Rs 4,06,109/-. The amount payable is on Account of withdrawal of the names of the member from the pension group scheme of LIC. The amount will be reimbursed to the employees/member covered under the scheme within a reasonable time. (Previous year – Rs 11,26,309/-).
14. Bank charges includes Rs. 5345/- towards prior period expenses.
15. Previous Year figures have been regrouped and re-arranged wherever necessary

for L.N. MALIK & CO.
CHARTERED ACCOUNTANTS

FOR FORTUNE INTERNATIONAL LTD.

Sd/-
(L. N. MALIK)
(Partner)
Membership No. : 010423
Firm Reg. No.: 015992N
Place : New Delhi
Date : 30/05/2014

Sd/-
A.K. Kukreja
(g.m. Finance)

Sd/-
Rekha Shrivastva
(Director)
(DIN - 00051261)

Sd/-
Nivedan Bharadwaj
Whole Time director
(DIN - 00040191)

FORTUNE INTERNATIONAL LIMITED

CIN: L52324DL1981PLC012033
 Regd: G-4 Community Centre, Naraina Vihar, New Delhi- 110028
 Tel: 011-25774212-214, 25771629 Email: fil12033@gmail.com
 Website: www.fortuneinternational.in

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | | |
|------------------------|--|---------------------------------|--|
| Name of the member(s): | | E-mail id: | |
| Registered address: | | Folio No./*DP id and Client id: | |

**Applicable for investors holding shares in electronic form*

I/We, being the member (s) of shares of the above named company, hereby appoint

| | | | | |
|---|------------------------|--|------------|--|
| 1 | Name of the member(s): | | E-mail id: | |
| | Address | | Signature | |

or failing him

| | | | | |
|---|------------------------|--|------------|--|
| 2 | Name of the member(s): | | E-mail id: | |
| | Address | | Signature | |

or failing him

| | | | | |
|---|------------------------|--|------------|--|
| 3 | Name of the member(s): | | E-mail id: | |
| | Address | | Signature | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company, to be held on Tuesday 30th September 2014 at 10 a.m. at the registered office of the Company at G-4 Community Centre, Naraina Vihar, New Delhi- 110028 and at any adjournment thereof in respect of such resolutions as are indicated below

| Sr.No | Resolutions |
|-------|--|
| 1 | Adoption of audited financial statements, Report of Board of Directors and Auditors for the year ended March 31, 2014. |
| 2 | To appoint an Director in place of Mr. Nivedan Bharadwaj who retires by rotation and being eligible offers himself for re-appointment |
| 3 | To appoint a Director Ms. Ruchika Bharadwaj who was appointed as an Additional Director of the Company |
| 4 | To re-appoint M/s. L.N. Malik & Co, Chartered Accountants, as Statutory Auditors of the Company and authorise the Board to fix their remuneration. |
| 5 | To appoint Mr. Madan Lal Jain as an Independent Director of the Company |
| 6 | To appoint Mr. Prashant Verma as an Independent Director of the Company |

Signature of shareholder _____

Signature of Proxy holder(s) _____

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signed this..... day of..... 20....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

BOOK-POST

If Undelivered, Please Return To :

FORTUNE INTERNATIONAL LIMITED

REGISTERED OFFICE :

G-4, C-Block, Community Centre, Naraina Vihar, New Delhi-110 028