

FORTUNE INTERNATIONAL LTD.

35th ANNUAL REPORT 2016-2017



BOARD OF DIRECTORS

Mrs. Rekha Shrivastava- Executive Director
Mrs. Ruchika Bharadwaj- Executive Director
Mr. Nivedan Bharadwaj- Managing 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. HDFC Bank Limited
B- 17, Geetanjali Enclave,
New Delhi- 110017

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 Fifth Annual General Meeting of the members of Fortune International Limited will be held on Friday, 29th September, 2017 at 11.00 a.m at Amarai Farms, Khasra No. 375, Village Kapashera, near Police Chowki, Old Delhi-Gurgaon road, Kapashera, New delhi-110037 to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 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(s), the following resolution as an ordinary resolution:

"RESOLVED THAT the audited balance sheet as at 31st March 2017, the statement of profit and loss along with notes to accounts and cash flow statement for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to members, be and are hereby, approved and adopted".

- 2. To appoint a Director in place of Mrs. Ruchika Bharadwaj who retires by rotation and being eligible offers herself for re-appointment.**

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

"RESOLVED THAT Mrs. Ruchika Bharadwaj (DIN- 00288459), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as director of the Company."

- 3. To appoint M/s. D. Kothary & 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be applicable, M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W), be and are hereby appointed as the Statutory Auditors of the Company in place of retiring auditors M/s. L. N Malik & Co., Chartered Accountants (ICAI Firm Registration No. 015992N), to hold office for a term of five years i.e. from the conclusion of this AGM till the conclusion of 40th AGM of the Company to be held in the year 2022, (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

- 4. To make investments, give loans, guarantees and provide securities beyond the prescribed limits**

To consider and if thought fit, to pass with or without modifications, if any, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (the Act), read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions, if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding INR 10,00,00,000 (Indian Rupees Ten Crore Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Act.

RESOLVED FURTHER THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. To approve borrowing limits of the company

To consider and, if though fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding INR 50,00,00,000 (Rupees Fifty Crore Only) (including the money already borrowed by the Company) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

DATE: 04th September 2017

By order of the Board of Directors

PLACE: New Delhi

Sd/-

Nivedan Bharadwaj

Managing Director

(DIN-00040191)

Registered Office:

G - 4, C- Block Community Centre,

Naraina Vihar, New Delhi – 110028

NOTES:

1. **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.
2. The appointment of proxy shall be in the Form No. MGT.11 given at the end of Annual Report.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, September 23, 2017 to Friday, September 29, 2017, both days inclusive.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Notice of the AGM along with the Annual Report 2016-17 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.
9. 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.
10. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
11. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
12. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

13. The e-voting period commences on Saturday, September 23, 2017 (9.00 a.m. IST) and ends on Thursday, September 28, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut off date of September 22, 2017, 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.
14. The process and manner for remote 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):
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Fortune International Limited which is 107435.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.vishakhaharbola@outlook.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided at the bottom of the Attendance Slip for the AGM;
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
15. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
16. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
17. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
18. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2017.
19. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or purvashr@gmail.com.
20. However, if you are already registered with NSDL for remote e-voting then you can use your existing user

ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

21. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
23. Mrs. Vishkha Harbola, Practicing Company Secretary (Membership No. 38782), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
24. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
25. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.fortuneinternational.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

DATE: 04th September 2017

By order of the Board of Directors

PLACE: New Delhi

Sd/-

Nivedan Bharadwaj
Managing Director
(DIN-00040191)

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 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice:

Item No. 4:

It is proposed to authorise the Board of Directors of the Company to invest into securities of any body corporate and/or make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made up to 10 crore (Rupees Ten Crore only). The investments of funds etc. may require restructuring/conversion with the changed business environment.

As per Section 186 of the Act, where a Company make investment in shares, debentures, securities of other body corporates and/or provide loan etc. and such investments etc. are in excess of 60% of the Paid up Share Capital, Fee Reserves and Securities premium Account of the Company whichever is more as prescribed under Section 186 of the Act and the rules made thereunder, from time to time in one or more tranches, approval by way of Special Resolution of the shareholders is required. It is proposed to authorise Company to give loan, guarantee and make investment up to a maximum amount of 10 crore (Rupees Ten Crore only) notwithstanding that investments along with company's existing loans or guarantee(s)/ security(ies) or investments shall be in excess of the limits prescribed under Section 186 aforesaid.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

Item No. 5

The members may kindly be informed that pursuance to the provisions of Section 180 (1) (c) of the Act, read with be the relevant rules there under any borrowings by the Company in excess of the prescribed limits (i.e., in excess of its paid-up capital and free reserves) shall require approval of the Shareholders by way of a Special Resolution. Presently, the Board is in the process of its business expansion. However, for certain business exigencies and due to certain unavoidable circumstances, the Company may be required to borrow money from Banks/ Financial Institutions or any other Bodies Corporate in the future. The Board considers that authority to borrow money up to Rs 50 Crore shall be sufficient to meet the requirements of the Company. Accordingly, the Board recommends that the Resolution No. 5 of the Notice convening this Annual General Meeting be approved by the Members as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Resolution except to the extent of their shareholding in the Company, if any.

Registered Office:

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

DIRECTORS' REPORT

To,

The Members,

Fortune International Limited

Your directors have pleasure in presenting the Thirty Fifth Annual Report of Fortune International Limited along with the Standalone Audited Financial Statement of the Company for the year ended on 31st March, 2017.

1. BACKGROUND

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

2. FINANCIAL PERFORMANCE:

Particulars	(Rs. in Lacs)	
	Current Year 2016-17	Previous Year 2015-16
Total Income	3.96	9.23
Profit/(Loss) before Depreciation, Interest, Tax and Amortization and Exceptional Items	(5.26)	(1.93)
Interest	25.35	0.03
Depreciation	0.00	0.00
Exceptional Items	-	-
Profit/(Loss) before Tax	(30.61)	(1.97)
Provision for Income Tax	-	-
Profit/(Loss) after Tax	(30.61)	(1.97)
Balance brought forward from previous year	(742.53)	(740.56)
Balance Carried over to the Balance Sheet	(773.14)	(742.53)

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 and Company incurred a Loss of Rs. 30.61 lacs.

3. RESERVES

The Company doesn't propose to transfer any amount into the general reserve.

4. 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, 2017.

5. LISTING

The Equity shares of the Company continue to remain listed on BSE Limited and the Calcutta Stock Exchange Limited.

6. DEPOSITS

The Company has not accepted any deposit within the meaning of Sections 2(31) and 73 of the Companies Act, 2013 and the rules framed there under during the Financial Year 2016-17.

7. SUBSIDIARY COMPANIES

The Company does not have any subsidiary company at present.

8. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not given any loan or guarantee but has made an investment in 17,97,500 securities of Fortune Stones Limited under the provisions of section 186 of the Companies Act, 2013 during the financial year ended 31st March, 2017.

9. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

EARNINGS AND OUTGO

The Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo as required to be disclosed under clause (m) of sub- section (3) of Section 134 of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014, are furnished herein below

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.

b. Technology Absorption

Your Company has not imported any technology during the year under review.

c. Foreign Exchange Earning and Outgo

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

10. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis, as approved by the Board of Directors, is set out in this Annual Report.

11. CORPORATE GOVERNANCE REPORT

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. At Fortune, the goal of Corporate Governance is to ensure fairness for every stakeholder. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of term.

Our Corporate Governance Report for the fiscal year 2017 forms part of this Annual Report.

12. DIRECTORS

- a) In accordance with section 152 (6) of the Companies Act, 2013 and clause 91 & 92 of Articles of Association of the Company, Mrs. Ruchika Bharadwaj (DIN- 00288459), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mrs. Ruchika Bharadwaj is eligible and offers herself to get re-appointed at the ensuing Annual General Meeting of the Company.
- b) Mr. Shailesh Prasad, Independent Director of the Company resigned from the Board of Director with effect from 29th August, 2016.
- c) During the year, the Non- Executive Directors of the Company had no pecuniary relationship or transactions with the Company.
- d) There has been no change in the Key Managerial Personnel during the year.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the independent directors in accordance with the provisions of Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board Evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

15. MEETING OF BOARD OF DIRECTORS

During the year four Board Meetings were held, the details of which are given in the Corporate Governance Report. Maximum gap between the meetings is well within the limits prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Board based on recommendation of the Nomination & Remuneration Committee, has formulated a policy on remuneration, of directors, Key Managerial Personnel and other employees. The policy covers the appointment including criteria for determining qualifications, positive attributes, independence and remuneration of its directors, KMPs and other employees of the Company and other matters provided under sub - section (3) of section 178 of the Companies Act, 2013 adopted by the Board is appended as **Annexure-A** to the Directors' Report.

17. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The insider trading policy of the Company lays down guidelines and procedure to be followed, and disclosure to be made while dealing with shares of the Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing Company Securities.

18. LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of Listing Agreement for different segments of Capital Market to ensure better enforceability. The said Regulations were effective from December 1, 2015. Accordingly, all the entities were required to enter into the Listing Agreement with 6 months from the effective date. The Company entered into Listing Agreement with BSE Limited.

19. COMMITTEES OF THE BOARD

Currently there are 3 Committees: The Audit Committee, The Nomination Committee and The Stakeholders Relationship Committee. All the Committees consist of Independent Directors. A detailed note on the composition of Board and its committees is provided in Corporate Governance Report, section of this Annual Report.

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

As per the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), as may be applicable, M/s. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W), are proposed to be appointed as the Statutory Auditors of the Company in place of retiring auditors M/s. L. N Malik & Co., Chartered Accountants (ICAI Firm Registration No. 015992N), to hold office for a term of five years i.e. from the conclusion of this AGM till the conclusion of 40th AGM of the Company to be held in the year 2022, (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

(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 had appointed M/s. Vishakha Harbola & Associates Company Secretary, as Secretarial Auditor for carrying out the secretarial audit. The Secretarial Audit Report in the prescribed form is annexed as **Annexure- B** to this report. There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditors in their report.

(iii) Internal Auditor

As per section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014. The Company had appointed M/s Corporate Maker LLP, Practicing Company Secretaries as Internal Auditor of the Company.

21. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has formulated Vigil Mechanism /Whistle Blower Policy for employees and Directors to keep high standards of ethical behaviour and provide safeguards to whistle blower.

22. HUMAN RESOURCES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure- C** to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request.

23. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, your directors confirm that:

- (a) in the preparation of the annual accounts for the Financial Year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) they have 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) they have prepared the annual accounts for the Financial Year ended March 31, 2017 on a going concern basis;
- (e) Proper internal financial controls were in place and these internal financial controls were adequate and operating effectively.
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. EXTRACTS OF ANNUAL RETURN

According to the provisions of Section 92(3) and 134 (3) (a) of the Companies Act, 2013, the prescribed Form MGT-9 (Extract of Annual Return) is annexed as **Annexure-D** and forms an integral part of this report.

25. RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy which reflects the overall risk management philosophy, the Company's overall approach to risk management and the role and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring the compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures.

26. RELATED PARTY TRANSACTIONS

All the transactions done with related parties for the year under review were on arm's length basis and are in compliance with the applicable provisions of the Act. There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which

may have potential conflict with the interest of the Company at large. Transactions with related parties were entered by the Company in the normal course of business of the Company. The particulars of contracts entered during the year are shown in Form AOC- 2, which is annexed to this report as **Annexure- E**.

27. 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 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.

The Directors appreciate and value the contributions made by every member of FIL Family.

For and on behalf of the Board

Sd/-	Sd/-
Nivedan Bharadwaj	Rekha Shrivastava
Managing Director	Director
(DIN-00040191)	(DIN-00051261)

Date: 4th September, 2017

Place: New Delhi

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

Annexures to the Board's Report**Annexure – A****NOMINATION & REMUNERATION POLICY:**

The Nomination & Remuneration policy for members of the Board and KMPs is drafted in a manner which aims to improve the performance of the Board of Directors and KMPs of Fortune International Limited (the 'Company') and subsequently enhance the value of the Company, to motivate and retain them, and to be able to attract other highly qualified executives.

The terms of reference, objectives and key elements of the policy produced below is in line with the provisions of the Companies Act, 2013 and the Listing Agreement in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

OBJECTIVES OF NOMINATION & REMUNERATION POLICY

The objective of Nomination & Remuneration policy of Fortune International Limited is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of stakeholders of Fortune International Limited.

BASIS OF FORMULATION

The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario, remuneration package of the industry, remuneration package of the managerial talent of other industries, among others.

KEY ELEMENTS OF THE POLICY

The following elements are taken into consideration:

Fortune International Limited strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gains, respect for people and concern for the environment in line with of Fortune International Limited values and business principles as reflected in the Company's Code of Business Conduct. The Nomination & Remuneration policy reflects a balance between the interests of the Company's main stakeholders as well as a balance between its short-term and long-term strategy. As a result, the structure of the remuneration package for the Managing Board and KMPs is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders

To ensure that highly skilled and qualified senior executives can be attracted and retained.

The remuneration policies for the members of the Managing Board and for other senior executives of Fortune International Limited are aligned.

The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

TERMS OF REFERENCE

The terms of reference of the Nomination & Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Board Members and KMPs. The recommendations of the Nomination & Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

The remuneration of the Executive Directors and KMPs are recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, responsibilities shouldered, performance/track record, review on remuneration packages of heads of other organizations and is decided by the Board of Directors, subject to the approval of the shareholders at the General Meeting of the Company wherever required. The Company pays remuneration by way of salary, perquisites, allowances etc.

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director/KMPs shall be governed as per provisions of the Companies Act, 2013

FORM NO. MR- 3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2017**

[Pursuant to Section 204 (1) of the companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31.03.2017**

To,

The Members,

M/s. Fortune International Limited**CIN: L52324DL1981PLC012033****Regd. Address:**

G-4 Community Centre Naraina Vihar,

New Delhi, 110028

Date of Incorporation: **20.07.1981**Authorized Share Capital: **₹ 7,20,00,000.00**Paid up Share Capital: **₹ 7,04,00,000.00**

I have conducted the secretarial audit of the compliance of applicable statutory provision and then adherence to good corporate practices by **M/s. Fortune International Limited** (hereinafter referred to as “**the company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **M/s. Fortune International Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st Day of March, 2017 (“**Audit Period**”) complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Fortune International Limited** for the financial year ended on 31st Day of March, 2017 according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [**Not applicable to the company during the Audit Period**]
- (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”): -
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and related circulars & clarifications made thereunder;
 - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011;

- (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as Company has not issued any further share capital during the Audit Period]**
- (v) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable to the company during the Audit Period]**
- (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the Company has not issued and listed any debt securities during the Financial Year]**
- (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not Applicable as Company is not a registered as RTA/ STA]**
- (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable to the company during the Audit Period]** and
- (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **[Not applicable to the company during the Audit Period]**

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

- (a) Secretarial Standards ("SS- 1 & SS- 2") issued by The Institute of Company Secretaries of India.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company had no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Sd/-

CS Vishakha Harbola

Company Secretary in Practice

Proprietor

M/s. Vishakha Harbola & Associates,

Company Secretaries

COP No.: 14440

Membership No.: A- 387

Place: New Delhi

Date: September 1st, 2017

To,
The Members,
FORTUNE INTERNATIONAL LIMITED
CIN: L52324DL1981PLC012033

Regd. Address:

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

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

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

Sd/-

CS Vishakha Harbola

Company Secretary in Practice

Proprietor

M/s. Vishakha Harbola & Associates,

Company Secretaries

COP No.: 14440

Membership No.: A- 38782

Place: New Delhi

Date: September 1st, 2017

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) **Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2016-17.**

S.No	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Mr. Nivedan Bharadwaj	Managing director	1.41	Nil
2	Mrs. Rekha Shrivastava	Director	-	Nil
3	Mrs. Ruchika Bharadwaj	Director	-	Nil
4	Mr. Anil Kumar Kukreja	Chief Financial Officer	-	Nil
5	Ms. Megha Chhabra	Company Secretary	0.58	Nil

Note :

- The Non-Executive Directors of the Company are not paid any fee or commission. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the above purpose.
 - There was no increase in the remuneration of any employee of the Company during the financial year 2016- 17.
 - Employees for the purpose above includes all employees.
- The percentage decrease in the median remuneration of Employees for the financial year was 20.35%.
 - The Company has nil permanent Employees on the rolls of Company as on 31st March, 2017.
 - Relationship between average increase in remuneration and Company's performance: There was no increase in remuneration of the employees.
 - Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The Company was not able to generate any income from operational activities during fiscal 2017. Therefore, there was no increase in remuneration of MD.
 - Our Market capitalization was decreased by 29.54% to Rs. 1598 lakhs as of March 31, 2017 from Rs. 2070 lakhs as of March 31, 2016. The price earnings ratio was (52.79) as of March 31, 2017 which was an increase of 94.61% as compared to March 31, 2016. The closing price of the Company's Equity shares on the BSE at the end of Financial Year 2017 was Rs. 22.70
 - The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Mr. Nivedan Bharadwaj is the highest paid Director. Ms. Megha Chhabra's remuneration for Financial Year 2016- 17 is more than that of Mr. Nivedan Bharadwaj at a ratio of 1.42.
 - It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L52324DL1981PLC012033
ii	Registration Date	20/07/1981
iii	Name of the Company	FORTUNE INTERNATIONAL LIMITED
iv	Category / Sub-Category of the Company	Public Company, Limited by shares
v	Address of the Registered office and contact details	G-4, Community Centre, Naraina Vihar, New Delhi-110028
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent	Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind. Estt., J.R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai - 400 011 Tel : 91-22-2301 6761 / 8261 Email : busicomp@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Nil	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name And Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	38,26,868	0	38,26,868	54.36	38,26,868	0	38,26,868	54.36	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
F. Any Other..	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	38,26,868	0	38,26,868	54.36	38,26,868	0	38,26,868	54.36	0.00
(2) Foreign									

a. NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e. Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	38,26,868	0	38,26,868	54.36	38,26,868	0	38,26,868	54.36	0.00
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non-Institutions									
a. Bodies Corp.									
i) Indian	6,14,347	5,11,400	11,25,747	16.00	6,32,927	5,01,400	11,34,327	16.11	0.11
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	72,752	5,57,036	6,29,788	8.94	98,772	5,52,136	6,50,908	9.25	0.31
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	74,700	13,81,996	14,56,696	20.69	44,700	13,81,996	14,26,696	20.27	0.42
c. Others (specify)	-	-	-	-	-	-	-	-	0.00
i) NRI (Repat & Non Repat)	230	0	230	0.00	230	0	230	0.00	0.00
ii) Hindu Undivided Family	171	500	671	0.01	171	500	671	0.01	0.00
iii) Trust	0.00	0.00	0.00	0.00	300	0.00	300	0.00	0.00
Sub-total (B)(2)	7,62,200	24,50,932	32,13,132	45.64	7,77,100	24,36,032	32,13,132	45.64	0.00

Total Public Shareholding (B) = (B)(1) + (B)(2)	7,62,200	24,50,932	32,13,132	45.64	7,77,100	24,36,032	32,13,132	45.64	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	45,89,068	24,50,932	70,40,000	100	45,89,068	24,36,032	70,40,000	0.00	0.00

ii. Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year (01.04.2016)			No. of Shares held at the end of the year (31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged/encumbered to total shares	
1	Ruchika Bharadwaj	37,26,868	52.94	0	37,26,868	52.94	0	0.00
2	Rekha Shrivastava	1,00,000	1.42	0	1,00,000	1.42	0	0.00
	Total	38,26,868	54.36	0	38,26,868	54.36	0	0.00

iii. Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	38,26,868	54.36	38,26,868	54.36
2	Increase/ Decrease in Promoter's Share holding during the year	NIL	0.00	NIL	0.00
3	At the End of the year	38,26,868	54.36	38,26,868	54.36

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Quest Profin Advisor Pvt. Ltd.	6,00,000	8.52	6,00,000	8.52
2	Pankaj Paliwal	5,41,996	7.70	5,41,996	7.70
3	Nimesh Navinchandra Shah	3,90,000	5.54	3,90,000	5.54
4	Kalpesh Rajkumar Koradia	3,90,000	5.54	3,90,000	5.54
5	Premier Needle Crafts Pvt. Ltd.	2,28,200	3.24	2,28,200	3.24
6	SBI Capital Market Ltd.	1,60,000	2.27	1,60,000	2.27
7	ITC- Agro- Tech Finance & Invest. Ltd.	50,900	0.72	50,900	0.72
8	Raju Bhandari	44,700	0.63	74,700	1.06
9	Arjun Lal Nirajan Agarwal	30,000	0.42	30,000	0.42
10	Urmila Arjun Lal Agarwal	30,000	0.42	30,000	0.42

v. Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Ruchika Bharadwaj				
	At the beginning of the year	37,26,868	52.94	37,26,868	52.94
	Increase / Decrease in Share holding during the year	Nil	0.00	Nil	0.00
	At the End of the year	37,26,868	52.94	37,26,868	52.94
2	Mrs. Rekha Shrivastava				
	At the beginning of the year	1,00,000	1.42	1,00,000	1.42
	Increase / Decrease in Share holding during the year	0	0	0	0
	At the End of the year	1,00,000	1.42	1,00,000	1.42
3	Mr. Madan Lal Jain				
	At the beginning of the year	3,500	0.05	3,500	0.05
	Increase / Decrease in Share holding during the year	0	0	0	0
	At the End of the year	3,500	0.05	3,500	0.05
3	Mr. Prashant Verma				
	At the beginning of the year	15,300	0.22	15,300	0.22
	Increase / Decrease in Share holding during the year	0	0	0	0
	At the End of the year	15,300	0.22	15,300	0.22

IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	5,07,60,000	-	5,07,60,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	5,07,60,000		5,07,60,000
Change in Indebtedness during the financial year				
• Addition	-	4,06,69,658	-	4,06,69,658
• Reduction	-	-	-	-
Net Change	-	4,06,69,658	-	4,06,69,658
Indebtedness at the end of the financial year				
i) Principal Amount	-	9,02,60,000	-	9,02,60,000
ii) Interest due but not paid	-	11,69,658	-	11,69,658
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	9,14,29,658		9,14,29,658

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Rs. In lacs)

S. no.	Particulars of Remuneration	Name of MD/WTD or Manager	Total Amount
		Mr.Nivedan Bharadwaj	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1.20 - -	1.20 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- - -	- - -
5.	Others, please specify	-	-
	Total (A)	1.20	1.20
	Ceiling as per the Act	1.20	1.20

B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	-	-	-	-	-
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board committee meetings • Commission • Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Rs. In lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Megha Chhabra Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.91	2.91
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total	2.91	2.91

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COU RT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Annexure –E
FORM NO. AOC.2

(Pursuant to clause (h) of sub-section(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis

S. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Name of related Party	Nature of Relationship	Nature of Transaction	Duration of Contract	Date of Approval	Amount (Rs. In lacs)	Sailent Terms
Nivedan Bharadwaj	Managing Director	Director's Remuneration	4 years	02.09.2015	1.20	Nil
Ruchika Bharadwaj	Director	Unsecured Loan	-	14.02.2017	380	Nil

REPORT ON CORPORATE GOVERNANCE**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 Company's policy is to maintain optimum combination of Executive and non- Executive Directors. As on March 31, 2017 the Board of Directors (Board) comprises of 5 Directors out of which 2 are Independent Directors. Composition of the Board and category of Directors as on 31st March, 2017 is as follows:

Category	Name of Director
Promoter Director	Mrs. Ruchika Bharadwaj
	Mrs. Rekha Shrivastava
Executive Director	Mr. Nivedan Bharadwaj
Independent Director	Mr. Madan Lal Jain
	Mr. Prashant Verma

- ii. Mr. Prashant Verma, Mr. Shailesh Prasad (resigned w.e.f 29.08.2016) and Mr. Madan Lal Jain, Independent directors of the Company, have furnished the declaration annually that they qualify the conditions of being independent. All declarations are placed before the Board.
- 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 30th September 2016
Mr. Nivedan Bharadwaj	00040191	Managing director	4/4	YES
Mrs. Rekha Shrivastava	00051261	Promoter Director	4/4	YES
Mr. Madan Lal Jain	00051418	Independent Director	4/4	YES
Mr. Prashant Verma	00328093	Independent Director	4/4	YES
Mr. Shailesh Prasad	07209972	Independent Director	2/4	YES
Ms. Ruchika Bharadwaj	00288459	Promoter Director	4/4	YES

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	5	-	-
Mrs. Rekha Shrivastava	00051261	6	3	1
Mr. Madan Lal Jain	00051418	5	3	2
Ms. Ruchika Bharadwaj	00288459	3	-	-
Mr. Prashant Verma	00328093	4	3	-
Mr. Shailesh Prasad (resigned w.e.f 29.08.2016)	07209972	1	-	-

***includes private companies and companies incorporated outside India.**

- iv) Four (4) Board Meetings were held during the financial year ended 31st March, 2017 and the gap between the two meetings did not exceed one hundred and twenty days.
- v) The Board meetings were held on 30th May, 2016, 12th August, 2016, 14th November, 2016, and 14th February 2017.
- vi) Mr. Shailesh Prasad, Independent director resigned w.e.f 29.08.2016 during the financial year 2016-17.

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, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. 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 2016-17, on 30th May, 2016, 12th August, 2016, 14th November, 2016 and 14th February 2017. 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	4
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 177 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:

- 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.
- 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.
- 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 "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, Managing Director who is drawing remuneration of INR 1,20,000/- p.a.

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

i. No. of Equity Shares held by Directors

Name	No. Of Equity Shares held	(%)Percentage of holding
Mr. Nivedan Bharadwaj	NIL	NIL
Mrs. Rekha Shrivastava	1,00,000	1.42
Mr. Madan Lal Jain	3,500	0.05
Ms. Ruchika Bharadwaj	37,26,868	52.94
Mr. Prashant Verma	15,300	0.21

Terms of reference:

- 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.
- Evaluate the remuneration paid by comparable organization.
- Review the performance of the Directors and recommendations to the Board in this regard.
- 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 Stakeholders Relationship Committee was constituted. 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	Chairperson	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 2016-2017:

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 and market. The Committee comprised of Mr. Nivedan Bharadwaj (Managing Director) and Mrs. Rekha Srivastava (Non-Executive Director) of the Company. The Board has framed plan to monitor and manage the risk.

4. WOMAN DIRECTOR

Pursuant to section 149 of the Companies Act, 2013 and clause II.A of the Listing Agreement, Mrs. Rekha Srivastava and Mrs. Ruchika Bharadwaj are the Women Directors.

5. SUBSIDIARY COMPANY

The Company does not have any subsidiary company at present.

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 2016-17.

7. **CEO/ CFO CERTIFICATION**

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the CEO/ CFO Certification is provided in this report.

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**

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.

(i) **Quarterly Results:**

The Company has furnished quarterly financial results along with the notes on a quarterly basis to the Stock Exchange as per the format prescribed and within the time period stipulated under the Listing Agreement.

(ii) **Newspapers wherein results are normally published:**

The Company has published the financial results within 48 hours of the conclusion of the Board Meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the Company is situated.

(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, 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. 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 rekha.srivastava2016@gmail.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their

grievances.

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.

12. COMPLIANCE OFFICER

Ms. Megha Badhwar is appointed as Company Secretary and Compliance Officer of the Company.

13. GENERAL SHAREHOLDER INFORMATION:

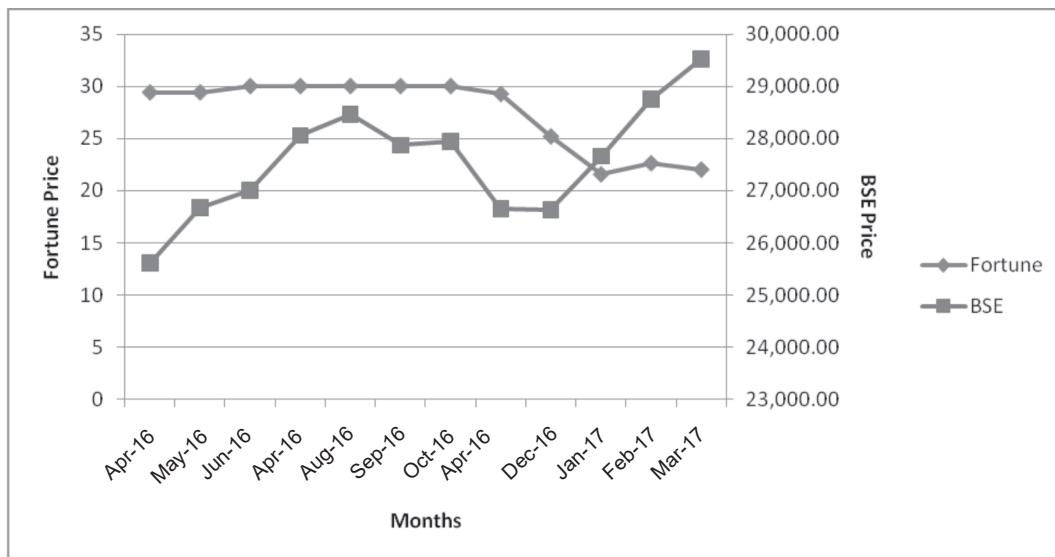
Registered Office: G-4, Community Centre, Naraina Vihar, New Delhi- 110028

Corporate Identification Number (CIN): L52324DL1981PLC012033

14. MARKET PRICE DATA:

Month	BSE (Monthly) All Prices in ₹				BSE SENSEX CLOSING
	Open	High Price	Low Price	Close	
Apr-16	29.40	29.40	29.40	29.40	25606.62
May-16	29.40	29.40	29.40	29.40	26,667.96
Jun-16	30.00	30.00	30.00	30.00	26,999.72
Jul-16	30.00	30.00	30.00	30.00	28,051.86
Aug-16	30.00	30.00	30.00	30.00	28,452.17
Sep-16	30.00	30.00	30.00	30.00	27,865.96
Oct-16	30.00	30.00	30.00	30.00	27,930.21
Nov-16	30.00	30.00	28.50	28.50	26,652.81
Dec-16	27.10	27.10	23.30	23.30	26,626.46
Jan-17	22.15	22.15	21.05	21.05	27,655.96
Feb-17	22.10	23.20	22.10	23.20	28,743.32
Mar-17	22.05	22.05	22.05	22.05	29,518.74

15. (A) A Comparative chat of the price movement of the Company with BSE SENSEX is given below:



(B) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

Range (in Rs)	Number of Shareholders	% of Shareholder	Amount in Rs.	% of Paid up Capital.
0001- 5000	2,238	98.42	45,07,960	6.40
5001-10,000	10	0.44	9,21,900	1.31
10,001- 20,000	13	0.57	17,91,500	2.54
20,001- 30,000	3	0.13	8,52,000	1.21
30,001- 40,000	0	0.00	0	0
40,001- 50,000	1	0.04	4,47,000	0.63
50,001- 1,00,000	2	0.09	15,09,000	2.14
1,00,000-and above	7	0.31	6,03,70,640	85.75
Total	2,274	100	704,00,000	100

(C) SHAREHOLDING PATTERN AS ON 31ST MARCH 2017

Category	No. of shares held	Percentage to shareholding (%)
Foreign Companies	NIL	NIL
Non Resident	230	0.00
Foreign Financial Institution	NIL	NIL
Financial Institutions	NIL	NIL
Mutual Fund	NIL	NIL
Promoters	38,26,868	54.36
Director Relative	NIL	NIL
Resident Individual	20,77,604	29.54
Nationalized Bank	NIL	NIL
Other Bodies corporate	11,34,327	16.11
HUF	671	0.01
Employee	NIL	NIL
In Transit	NIL	NIL
Others (shares underlying under GDR)	NIL	NIL
Total	70,40,000	100

(D) Shares held in physical and dematerialized form

As on March 31, 2017, 65.40 percent of the Company's shares were held in dematerialized form and the remaining 34.60 percent in physical form. The break up is listed below:

Shares in Form	No. of shares	% held
N.S.D.L	39,74,216	56.45
C.D.S.L	6,29,752	8.95
Physical	24,36,032	34.60
Total	70,40,000	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. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

18. 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
2013-14	G - 3, C - Block, Community Centre, Naraina Vihar, New Delhi-110 028	30 th September, 2014 10.00 a.m.	No Special Resolution passed
2014-15	G - 22, Shahi Road, Bijwasan, New Delhi-110061	30 th September, 2015 10.00 a.m.	To re- designate Mr. Nivedan Bharadwaj as Managing Director of the Company
2015-16	G - 22, Shahi Road, Bijwasan, New Delhi-110061	30 th September, 2016 10.00 a.m.	(i) To make investments, give loans, guarantees and provide securities beyond the prescribed limits (ii) To approve borrowing limits of the Company

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.

19. SHAREHOLDER
a) GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	29 th September, 2017 at 10.00 am G-22, Shahi Road, Bijwasan, New Delhi- 110061
Financial Year	April 1, 2016- March 31, 2017
Dates of Book Closure	September 23, 2017 to September 29, 2017 (both days inclusive)
Dividend Payment Date	There is no dividend recommended by the Board
Listing on Stock Exchange	1. Bombay Stock Exchange Ltd 2. 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 from 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: busicomp@vsnl.com

Tel : 91-22-2301 6761 / 8261

Fax: 91-22-2301 2517

c) BOOK CLOSURE DATES

September 24, 2017 to September 29, 2017

(Both days inclusive)

d) ADDRESS FOR CORRESPONDANCE:

Ms. Megha Badhwar

Fortune International Limited

G-3, First Floor, C-Block, Community Centre,

Naraina Vihar, New Delhi-110 028

DATE: 4th September, 2017

PLACE: New Delhi

By order of the Board of Directors

Sd/-

Rekha Shrivastava

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 2016-17 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 other currency. The exchange rate between the Rupee and other currencies change substantially and could fluctuate substantially in the future. Fluctuations in Indian Rupee against 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: 4th September, 2017

PLACE: New Delhi

By order of the Board of Directors

Sd/-

Nivedan Bharadwaj

Managing Director

(DIN-00040191)

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 financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) These statements together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- C. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company
- D. pertaining to financial reporting that they have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal control, if any, of which they are aware and the steps they have taken or proposed to take to rectify these deficiencies.
- E. I have indicated to the auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Any instances of significant fraud of which I am aware and that involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

For Fortune International Limited

Sd/-

Anil Kumar Kukreja
Chief Financial Officer

Date : **4th September, 2017**

Place : New Delhi

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No.: L52324DL1981PLC012033

Paid Up Capital: ₹ 70400000.0

To,

The Members,

Fortune International Limited,

G- 4, Community Centre,

Naraina Vihar, New Delhi- 110028

I have examined the compliance of conditions of Corporate Governance by M/s. Fortune International Limited ("Company") for the year ended 31st March, 2017, as stipulated Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from April 01st, 2016 to March 31st, 2017 of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation, as applicable.

I 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.

For Vishakha Harbola & Associates,

Company Secretaries

Sd/-

CS Vishakha Harbola

Practicing Company Secretary

Date: 1st September, 2017

Place: New Delhi

COP No.: 14440

Membership No.: A- 38782

INDEPENDENT AUDITOR'S REPORT

To the Members of **Fortune International Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Fortune International Limited ('the company') which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flow of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation & presentation of the financial statements that's give a true & fair view & 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 have taken into account the provisions of the Act, the accounting & auditing standards & the matters which are required to be included in the audit report under the provisions of the Act & the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified u/s. 143 sub section 10 of the Act. 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 the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors as well as evaluating the overall presentation of the Standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, the financial position of the company as at 31st March 2017, its financial performance, its cash flows for the year ended on that date and its loss.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge

- and belief were necessary for the 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 it appears from our examination of those books;
 - c) The Balance Sheet, statement of Profit and Loss and the cash flow statements dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in term of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness or such controls, refer to our separate report in “**Annexure B**”:and
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors), Rules , 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any Pending Litigations which would impact its Financial Position.
 - ii) In our opinion and as per the information and explanations provides to us, the company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or Accounting Standards, for material foreseeable losses , and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
 - iv) The company did not have any holdings or dealing in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 (Refer to Note 3) of Notes to accounts.

For L.N. MALIK & CO.
Chartered Accountants

FRN: 015992N

Sd/-

L.N. MALIK

Partner

M.No. 010423

Place: New Delhi

Date: 30.05.2017

“ ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the company on the Standalone financial statements for the year ended 31st March 2017, we report that:

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) As the company has not purchased or sold goods during the year nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) to (C) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the company, The company has not made any loans, investment, guarantee and security during the year which are covered under section 185 & 186 of the Companies Act 2013, hence para 3 (iv) is not applicable.
- 5) The Company has not accepted any deposits from the public.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees State Insurance, income tax, sales tax, value added tax, Custom duty, service tax, cess, excise duty and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrear as at 31st march 2017 for a period of more than six month from the date they become payable.
(b) According to the records of the company, there are no dues of income-tax, sales tax, service tax, custom duty, excise duty, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government. The company has not issued any debentures.
- 9) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and money raised by way of termed loans have been applied by the company during the year for the purposes for which they were raised.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and According to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- 13) According to the information and explanations given to us and based on our examination of the records of the company, section 177 of the Companies Act 2013 is not applicable for the company. The company has not undertaken transactions which are covered under section 188 during the year; consequently section 188 of the companies Act, 2013 is not applicable.
- 14) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For L.N. MALIK & CO.

Chartered Accountants

FRN: 015992N

Sd/-

L.N. MALIK

Partner

M.No. 010423

Place: New Delhi

Date: 30.05.2017

Annexure- B to the Auditors Report.**Report on the Internal Financial Controls under Clause (i) of sub section (3) of Section 143 of the Companies Act, 2013. (" the Act")**

We have audited the internal financial controls over financial reporting of Fortune International Limited ("the company") as on 31s March, 2017 in conjunction with our audit of the Standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial control over financial reporting (the "guidance note") and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the guidance notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparations

of financial statements in accordance with generally accepted accounting principles, and receipts and expenditure of the company are being made only In accordance with authorization of management and the director of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For L.N. MALIK & CO.
Chartered Accountants

FRN: 015992N

L.N. MALIK

Partner

M.No. 010423

Place: New Delhi

Date: 30.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes	AS AT 31/03/2017	AS AT 31/03/2016
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	70,400,000	70,400,000
(b) Reserves and Surplus	3	(77,314,042)	(74,252,912)
(c) Money received against share warrants		-	-
<u>(2) Share Application money pending allotment</u>		-	-
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	4	91,429,658	50,760,000
(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	5	103,126	94,190
(d) Short-Term Provisions		-	-
Total Equity & Liabilities		84,618,742	47,001,278
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Tangible Assets	6	208,179	208,179
(ii) Intangible Assets		-	-
(iii) Capital Work In Progress		-	-
(b) Non-current investments	7	37,031,025	-
(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	8	45,204,860	45,204,860
(d) Cash and cash equivalents	9	1,124,963	486,059
(e) Short-term loans and advances	10	1,049,715	1,102,180
(f) Other current assets		-	-
Total Assets		84,618,742	47,001,278

Accounting Policies and forming integral part of the financial statement 1

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 : 30/05/2017

Sd/-

Nivedan Bharadwaj
(MANAGING DIRECTOR)

Sd/-

Rekha Shrivastava
(DIRECTOR)

Sd/-

A.K. Kukreja
(C F O)

Sd/-

Megha Badhwar
(Company Secretary)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING ON 31ST MARCH, 2017

Particulars	Notes	AS AT 31/03/2017	AS AT 31/03/2016
<u>Income:</u>			
Revenue from operations		-	-
Other Income	11	396,161	923,862
Total Revenue		396,161	923,862
<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	12	383,127	508,356
Financial Costs	13	2,534,705	3,282
Depreciation and Amortization Expense (Refer Schedule 3)	14	-	-
Other Expenses	15	539,459	608,848
Total Expenses		3,457,291	1,120,486
Profit/Loss before exceptional and extraordinary items and tax		(3,061,130)	(196,624)
Exceptional Items			-
Loss before extraordinary items and tax		(3,061,130)	(196,624)
Extraordinary Items		-	-
Profit before tax		(3,061,130)	(196,624)
<u>Tax expense:</u>			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(Loss) from the period from continuing operations		(3,061,130)	(196,624)
Profit/(Loss) from discontinuing operations			-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		(3,061,130)	(196,624)
Earning per equity share:			
(1) Basic		(0.43)	(0.03)
(2) Diluted		(0.43)	(0.03)

Accounting Policies and forming integral part of the financial statement 1

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 : 30/05/2017
Sd/-
**Nivedan Bharadwaj
(MANAGING DIRECTOR)**
Sd/-
**Rekha Shrivastava
(DIRECTOR)**
Sd/-
**A.K. Kukreja
(C F O)**
Sd/-
**Megha Badhwar
(Company Secretary)**

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17	2015-16
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/ Loss before tax as per profit & Loss Account	(3,061,130)	(196,624)
Net Prior Year Adjustments		
Depreciation	-	-
Finance Charges	2,534,705	-
Operating Profit before Working Capital Change	(526,425)	(196,624)
<u>Adjusted for:</u>		
Short term Loan & Advances	52,465	(9,407)
Other Current Liabilities	8,936	(20,407,928)
Cash Generated from Operations	(465,024)	(20,613,959)
Taxes Paid/Written off	-	-
Net Cash Inflow from Operating Activities	(465,024)	(20,613,959)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of investments in Equity Shares of Fortune Stone Ltd	(37,031,025)	-
Sale of Fixed Assets	-	-
Net Cash flow in Investing Activities	(37,031,025)	-
C CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Long Term Borrowings	40,669,658	20,500,000
Interest and Finance Charges	(2,534,705)	-
Net Cash Outflow from Financing Activities	38,134,953	20,500,000
Net (Decrease) / Increase in Cash and Cash Equivalents	638,904	(113,959)
Opeing Banlance of Cash and Cash Equivalents	486,059	600,018
Closing Balance of Cash and Cash Equivalents	1,124,963	486,059

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 : 30/05/2017

Sd/-

Nivedan Bharadwaj
(MANAGING DIRECTOR)

Sd/-

Rekha Shrivastava
(DIRECTOR)

Sd/-

A.K. Kukreja
(C F O)

Sd/-

Megha Badhwar
(Company Secretary)

for FORTUNE INTERNATIONAL LTD.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR
THE YEAR ENDING ON 31st MARCH, 2017

Note - 1 : 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 systematically allocated over the useful life of asset as specified in part C of schedule II of Companies Act 2013 on WDV basis . However in cases where useful life of asset has expire and WDV as on 1.4.2016 is less than 5% of residual value , the same WDV has been carried forward .
- b) Investments are stated at cost.

2. Contingent Liabilities

	CONTINGENT LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
	In respect of Bank Guarantees	Nil	Nil

3. Specified Bank Notes (SBN) held and transacted is as follows:

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	Nil	5/-	5/-
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing Cash-in-hand as on December 30, 2016	Nil	5/-	5/-

4. Quantitative & Value information: Not Applicable since there is no opening & closing stock.
5. Consumption of imported and indigenous materials and percentage thereof to total consumption, Raw Materials, Sub-assemblies and Components Consumed. - NIL

	CURRENT YEAR	PREVIOUS YEAR
6. EXPENDITURE IN FOREIGN EXCHANGE	Nil	Nil

7. EARNING IN FOREIGN EXCHANGE	Nil	Nil
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8. PAYMENT TO AUDITORS		
Auditor' Remuneration	23,000	22,900

9. PAYMENT TO DIRECTORS		
Directors' Remuneration	1,20,000	1,20,000

10. 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. Mr. Nivedan Bharadwaj - Managing Director
2. Mrs. Rekha Shrivastava - Director
3. Mrs. Ruchika Bharadwaj - Director
4. Mr. Madanlal Jain - Director
5. Mr. Prashant Verma - Director
6. Mr. Anil Kumar Kukreja - (C.F.O.)
7. Ms. Megha Badhwar - (C.S.)

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

1. Fortune Stones Ltd

11. Transaction with Related Parties

S. No	Name of Party	Nature of Transaction	Transaction during the year (In Rs)	Bal Due as on 31.03.2017 (In Rs)	Bal as on 31.03.2016 (In Rs)
1.	Nivedan Bharadwaj	Directors Remuneration	120,000	30,000	30,000
2.	Rekha Shrivastava	Unsecured Loan	NIL	43,00,000	43,00,000
3.	Ruchika Bharadwaj	Unsecured Loan	3,80,00,000	6,39,60,000	2,59,60,000

12. Deferred tax assets have not been recognized and carried forward as there is no certainty of any further taxable income.
13. Provision for Income tax has not been made in the absence of taxable income.
14. Previous Year figures have been regrouped and re-arranged wherever necessary.

for L.N. MALIK & CO.**CHARTERED ACCOUNTANTS****Sd/-****(L. N. MALIK)****(Partner)****Membership No. : 010423****Firm Reg. No.: 015992N****Place : New Delhi****Date : 30/05/2017****Sd/-****Nivedan Bharadwaj****(MANAGING DIRECTOR)****Sd/-****Rekha Shrivastava****(DIRECTOR)****Sd/-****A.K. Kukreja****(C F O)****Sd/-****Megha Badhwar****(Company Secretary)****for FORTUNE INTERNATIONAL LTD.**

Note : 2 Share Capital

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	<u>AUTHORIZED CAPITAL</u> 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	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> 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	2016-2017	2015-2016
		No. of Shares	No. of Shares
1	<u>EQUITY SHARES</u> Opening Balance at beginning of the year Add: Fresh Issue Less: Buy Back Closing Balance at the end of the year	7,040,000 - - 7,040,000	7,040,000 - - 7,040,000

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

S. No	Name of Shareholder	AS AT 31/03/2017		AS AT 31/03/2016	
		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	Quest Profin Advisor Pvt Ltd	600,000	8.52	600,000	8.52
3	Pankaj Paliwal	541,996	7.70	541,996	7.70
4	Nimesh N. Shah	390,000	5.54	390,000	5.54
5	Kalpesh R. Koradia	390,000	5.54	390,000	5.54

Note : 3 Reserve & Surplus

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	<u>PROFIT & LOSS ACCOUNT</u> Opening Balance Add:- Net Profit after Tax transferred from Statement of Profit & Loss A/c Less : Depreciation in respect of assets whose life is over Closing Balance	(74,252,912) (3,061,130) - (77,314,042)	(74,056,288) (196,624) - (74,252,912)
	Total	(77,314,042)	(74,252,912)

Note : 4 Long Term Borrowings

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
	<u>UNSECURED INTEREST FREE</u>		
1	Rekha Shrivastava	4,300,000	4,300,000
2	Ruchika Bharadwaj	63,960,000	25,960,000
	<u>LOANS FROM OTHERS</u>		
3	Kosamattam Finance Ltd Add : Interest Accrued	20,500,000 1,103,970	20,500,000
4	Arelate Realtors Pvt Ltd Add : Interest Accrued	1,500,000 65,688	-
	Total	91,429,658	50,760,000

Note : 5 Other Current Liabilities

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Audit Fee Payable	23,000	22,900
2	Director Remuneration Payable	30,000	30,000
3	TDS Professional Payable	3,200	1,035
4	TDS Cont. Payable	-	17
5	TDS on Interest Payable	22,422	4,143
6	EPF Inspection Charges	2,421	1,221
7	Salary Expenses Payable	-	31,435
8	Others	21,083	2,439
9	Accounting Charges Payable	1,000	1,000
Total		103,126	94,190

Note : 6 Fixed Asset

S. No	Particulars	Rate	Gross Block			As on 31.03.2017	As on 31.03.2017
			As on 01.04.2016	Addition during the year	Deduction during the year		
I	<u>Tangible Assets</u>						
1	Furnitures & Fixtures		2,687,794	-	-	2,687,794	2,651,068
2	Office Equipment		3,567,789	-	-	3,567,789	3,465,959
3	Air Conditioners		1,509,905	-	-	1,509,905	1,441,345
4	Computer		21,250	-	-	21,250	20,187
	Sub-Total (A)		7,786,738	-	-	7,786,738	7,578,559
II	<u>Intangible Assets</u>		-	-	-	-	-
	Sub-Total (B)		-	-	-	-	-
III	<u>Capital Work In Progress</u>		-	-	-	-	-
	Sub-Total (C)		-	-	-	-	-
IV	<u>Intangible Assets under Development</u>						
	Sub-Total (D)						
	Total (A+B+C+D) Current Year Figure		7,786,738	-	-	7,786,738	7,578,559
	Previous Year Figure		7,894,435	-	107,697	7,786,738	7,681,392

Depreciaton				Net Block	
Addition during the year	Deduction during the year	Adjusted with retained earnings	As on 31.03.2017	WDV as on 31.03.2017	WDV as on 31.03.2016
-	-	-	2,651,068	36,726	36,726
-	-	-	3,465,959	101,830	101,830
-	-	-	1,441,345	68,560	68,560
-	-	-	20,187	1,063	1,063
-	-	-	7,578,559	208,179	208,179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,578,559	208,179	208,179
2,295	105,897	769	7,578,559	208,179	213,043

Notes Forming Part of the Profit & Loss Accounts for the year ending on 31st March, 2017
Note : 7 Investment

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
	Investment In Equity Share of Fortune Stone Ltd. of Rs. 10/-each, 17,97,500/- Equity Share@ 20.55/- 3,69,38,625/- Add Share Transfer Charges Rs. 92,400/- (Previous Year NIL)	37,031,025	-
	Total [A + B]	37,031,025	-

Note : 8 Trade Receivables

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
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 15 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 : 9 Cash & Cash Equivalent

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Cash-in-Hand		
	Cash Balance	17	390
	Sub Total (A)	17	390
2	Bank Balance		
	i) Central Bank of India - Chennai #	9,808	9,808
	ii) Indian Bank - Chennai #	6,373	6,373
	iii) SBI Nava Sheva - Bombay #	9,765	9,765
	iv) HDFC Bank Ltd	1,082,857	442,948
	v) State Bank of Bikaner & Jaipur	16,143	16,776
	Sub Total (B)	1,124,946	485,670
	Total [A + B]	1,124,963	486,059

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

Note : 10 Short Terms Loans and Advances

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Loans & Advances to related parties		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :		
	Advance to Associate Concerns	-	-
	c) Doubtful		
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance Income Tax/Refund Due	1,049,715	1,102,180
	Total	1,049,715	1,102,180

Note : 11 Other Income

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Miscellaneous Income	-	2,478
2	Commission Received	393,407	918,500
3	Interest on Income Tax Refund	2,754	2,884
	Total	396,161	923,862

Note : 12 Employees Benefits Expenses

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Directors' Remuneration	120,000	120,000
2	Leave Encashment	3,925	-
2	Salary Expenses	259,202	388,356
	Total	383,127	508,356

Note : 13 Financial Expenses

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Bank Charges & Commission	1,716	3,282
2	Interest on Loan	2,532,989	-
	Total	2,534,705	3,282

Note : 14 Depreciation & Amortised Cost

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Depreciation on Tangible Assets	-	-
	Total	-	-

Note : 15 Other Expenses

S. No	Particulars	AS AT 31/03/2017	AS AT 31/03/2016
1	Printing & Stationery Expenses	5,123	738
2	Conveyance Expenses	1,599	400
3	Postage & Telegram & Courier	609	-
4	Development and Designing Services	11,843	2,387
5	Auditors Remuneration	23,000	22,900
6	Miscellaneous Expenses	100	3,136
7	A.G.M. Expenses	32,019	57,118
8	Filing Fees	6,716	12,088
9	RTA Charges - Share Transfer Charges	61,002	46,365
10	Professional Charges	106,931	107,500
11	Listing Fees	229,000	224,720
12	Advertisement & Publicity	21,252	31,989
13	Accounting Charges	4,000	4,000
14	Custody Charges NSDL & CDSL	25,763	51,526
15	Short & Excess	-	475
16	Interest on TDS	-	881
17	Interest Paid	9,302	41,425
18	EPF Inspection Charges	1,200	1,200
	Total	539,459	608,848

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 Fifth Annual General Meeting of the company, to be held on 29 th day of September 2017 at 11.00 a.m. at Amarai Farms, Khasra No. 375, Village Kapashera, near Police Chowki, Old Delhi-Gurgaon road, Kapashera, New delhi-110037 and at any adjournment thereof in respect of such resolutions as are indicated below:			

Sr. No	Resolutions
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2	To appoint a Director in place of Mrs. Ruchika Bharadwaj who retires by rotation and being eligible offers herself for re-appointment.
3	To appoint M/s. D, Kothary & Co, Chartered Accountants, as Statutory Auditors of the Company and authorise the Board to fix their remuneration.
4	To make investments, give loans, guarantees and provide securities beyond the prescribed limits.
5	To approve borrowing limits of the company.

Signature of shareholder _____ Signature of Proxy holder(s) _____ Signed this..... day of..... 20....	<div style="border: 1px solid black; padding: 10px; width: 100px; margin: 0 auto;"> Affix Revenue Stamp </div>
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.	

ATTENDANCE SLIP

35th Annual General Meeting – 29th September, 2017

Name and Address of the Shareholder

Name of Proxy, If any

Registered Folio/ DP ID & Client ID

No. of Shares held

I/ We hereby record my presence at the 35th Annual General Meeting of the Company being held on 29th September, 2017 at Amarai Farms, Khasra No. 375, Village Kapashera, near Police Chowki, Old Delhi-Gurgaon road, Kapashera, New delhi-110037.

Signature of the Shareholder /Proxy Present

Note : Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

BALLOT PAPER

S. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No/ *DP ID-Client ID No. (* Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

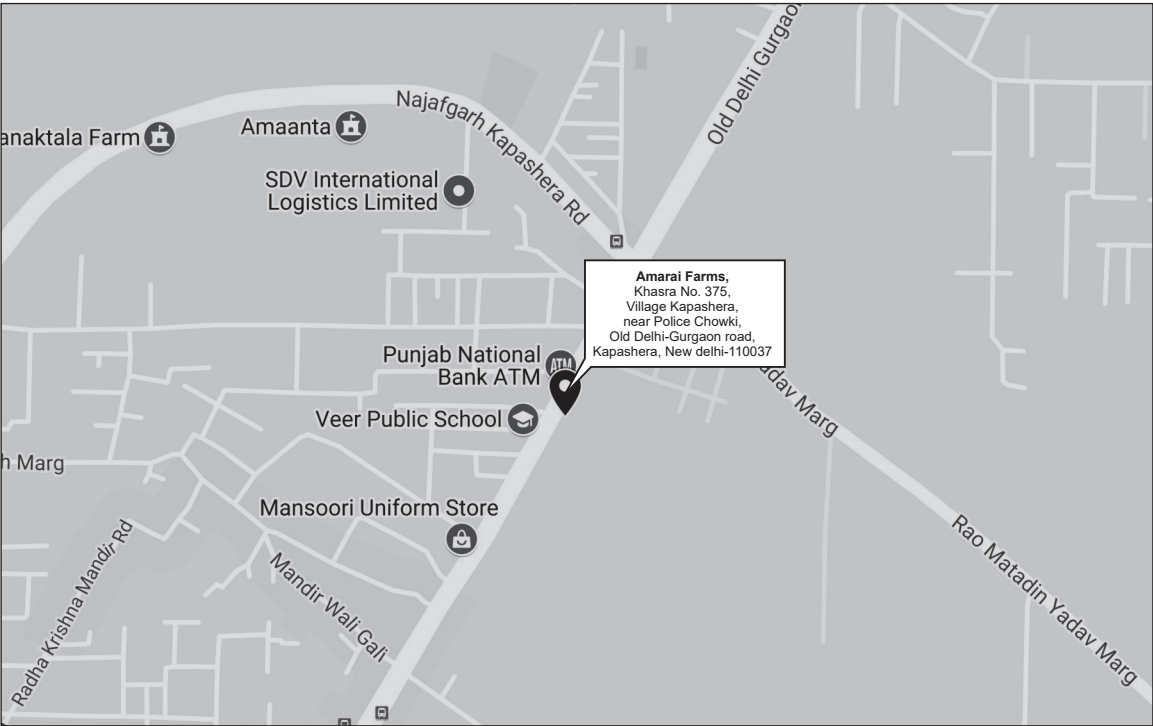
S. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.			
2	To appoint a Director in place of Mrs. Ruchika Bharadwaj who retires by rotation and being eligible offers herself for re-appointment.			
3	To appoint M/s. D. Kothary & Co, Chartered Accountants, as Statutory Auditors of the Company and authorise the Board to fix their remuneration.			
4	To make investments, give loans, guarantees and provide securities beyond the prescribed limits.			
5	To approve borrowing limits of the company.			

Place :

Date :

(Signature of the shareholder)

LOCATION TO THE ANNUAL GENERAL MEETING



If undelivered please return to:

FORTUNE INTERNATIONAL LTD.

REGISTERED OFFICE :

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