

ANNUAL REPORT

FORTUNE FOODS LIMITED

PAN NO - AAACF4646C

Year Ended 31st March 2016

Auditor

Ratan Chandak & Co.

Chartered Accountants

1/A, Suyash Apartment, Mahatma Nagar
Trimbak Road, Nashik - 422007

Ph: 0253-2351193; Email: nasik@rcnco.net

Locations: Nagpur(H.O.)|Pune|Nashik|Ahmednagar|Jalgaon|Aurangabad



Fortune Foods Ltd.

An ISO 9001 & HACCP Certified Company



To,
The Members,
FORTUNE FOODS LIMITED
Nashik.

Your Directors are pleased to present the **TWENTY SEVENTH ANNUAL REPORT** on the Business and Operations of the Company and the Audited Statement of Accounts for the year ended **31st March, 2016**.

FINANCIAL HIGHLIGHTS :-

	(Amount in Rs.)	
	Year ended 31.03.2016	Year ended 31.03.2015
Revenue From Operations	354,941,126	339,706,856
Other Income	11,460	84,570
Total Income	354,952,586	339,791,426
Profit / (loss) before Interest & Depreciation	16,821,898	11,469,605
Less: Finance Cost	272,356	725,265
Less: Depreciation	11,871,833	5,911,172
Profit/(loss) for the year before tax	4,677,709	4,833,168
Tax Expense	0	0
Current Tax	68700	3,257,234
Deferred Tax		
Profit/(loss) after tax	4,609,009	1,575,934
Accumulated profit/(loss) brought forward	(40,881,048)	(42,456,981)
Accumulated profit/(loss) carried forward	(36,272,038)	(40,881,048)

FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS:

The total Income of the company increased to Rs. 354,941,126/- as against Rs. 339,791,426/- of previous year recording a growth of 4.48%.

REGD. & CORPORATE OFFICE :

5, Gulshan Apartment, Tigrania Corner, New Mumbai Agra Road, Nashik - 422 011 (India). Mob. - 9373906660
Website : www.fortunefoodslimited.com E-mail : fortunefoodsnsk@gmail.com

WORKS : Village - Awankhed, Taluka - Dindori, Nashik - 422 202 Mob : 9225119539

CIN No. : U01511MH1989PLC186682

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to Rs. 16,821,899/- (4.74% of the revenue) as against (3.38% of the revenue) in the previous year.

The Net Profit after Tax was Rs.9,276,723/- as against profit of Rs. 1,575,934/- in the previous year.

TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves.

DIVIDEND:

Company has not declared any dividend for the Financial Year 2015-16.

FIXED DEPOSITS:

During the year under review, the Company had not accepted any deposits within the meaning of Section 73 of the Companies Act 2013.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AT THE END OF FINANCIAL YEAR:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

SUBSIDIARY COMPANY:

As on March 31, 2016, the Company does not have any subsidiary.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors

The Company has 5 directors out of which 2 are independent directors and 2 are Executive directors and 1 is additional director as on March 31, 2016.

Independent Directors

In terms of the definition of 'Independent Director' as prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Section 149 (6) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, to the effect that he meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The following Non-Executive Directors are Independent Directors of the Company:

1. Mr. Balkrishna Jamdade
2. Mr. Manasram Ahire

AUDITORS AND AUDIT REPORT

Statutory Auditors and their report

M/s. Ratan Chandak & Company was appointed as Statutory Auditors of the Company at the 25th Annual General Meeting held on September 29, 2014 for the tenure of 5 years i.e. till F.Y. 2018-19. Further, as per the provisions u/s 139(1) of the Companies Act, 2013, the Board of Directors proposes to re-affirm the appointment of the auditors for the period till conclusion of next Annual General Meeting.

AUDITORS' REPORT:

The Auditors in their report have referred to the notes forming part of accounts, which are self explanatory and do not require further elucidation.

- ***With reference to the Para 5 Clause (d) of the Auditors' Report, regarding compliance with the Accounting Standards,***

It is to inform that the non compliance is due to consistent policy of the management, which follows the cash basis of accounting for provision of all employee benefits.

- ***With reference to the Para 3 of the Annexure to Auditors' Report,***

➤ ***Clause i(a)&(b)*** - The Company has compiled the fixed assets record for last 8 years and for earlier years also compiling the records and also verifying it physically and discrepancies with book records observed during the verification are recorded in the books of accounts.

- **Clause vii(a)** – Due to lack of liquidity and other financial constraints, there are certain statutory dues outstanding. The Management ensures to make good the default and the irregularities at their earliest, as may be possible.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the company.

CHANGE IN SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2016 was 43,600,000/-. During the year under review, there was no change in the issued, subscribed and paid-up share capital of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGOINGS:

The activities of the Company are not covered under the disclosures required as per the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) (A & B) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption.

A) Conservation of Energy and Technology Absorption:

Nil

B) Foreign Exchange Earnings & Outgoings:

Nil

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of the Company is not required to constitute Corporate Social Responsibility Committee ("CSR Committee") as it is not covered under the said limits prescribed by the act.

NUMBER OF BOARD MEETINGS

The Board of Directors met Nine (9) times during the financial year 2015-16.

COMMITTEE AND THEIR MEETINGS

Audit Committee

The Audit Committee met Five times during the financial year ended 31st March, 2016 i.e 5th , April 2015, 15th June, 2015, 20th August, 2015, 10th December, 2015 and 28th March, 2016.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee met two times during the financial year ended 31st March, 2016 on 30th April, 2015 and 15th December, 2015.

Stakeholders' Relationship Committee

During the financial year ended 31st March, 2016, the Committee met twice on 5th May, 2015 and 2nd January, 2016.

Risk Management Committee

During the financial year ended 31st March, 2016, the Risk Management Committee met once on 20th November, 2015 for reviewing the Company level risks and mitigation plans and actions.

Corporate Governance Committee

During the financial year ended 31st March , 2016 the Corporate Governance Committee met twice in a year on 10th May, 2015 and 3rd February 2016 for reviewing working of Corporate Governance Committee and deciding on matters placed before the committee.

DIRECTORS RESPONSIBILITY STATEMENT:

Board of Directors of the Company hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along-with a proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) the Directors have prepared the accounts on a going concern basis.
- v) the management have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi) the management has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB SECTION (3) OF SECTION 178:

The Company, being not covered under limits prescribed was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments.

PARTICULARS OF EMPLOYEES

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RELATED PARTY TRANSACTIONS

All the related party transactions during the year were entered in the ordinary course of business and on arm's length basis. Accordingly, the said transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are presented the Board for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

EVALUATION OF BOARDS'S PERFORMANCE

Board of Directors had laid down the criteria for the performance evaluation of Directors (Executive and Non-Executive Independent Directors including Chairman), Committees of the Board and the Board as a whole and the evaluation process for the same in compliance with the requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

VIGIL MECHANISM

In pursuance of the provisions of Sections 177(9) and 177(10) of the Companies Act, 2013, a Vigil Mechanism is not required to establish for Directors and Employees to report genuine concerns as it is not covered under the said limits prescribed by the act.

EXTRACTS OF ANNUAL RETURN

Pursuant to Sections 134 (3) (a) and 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as at March 31, 2016 in form MGT-9 is annexed as Annexure A which forms part of this report.

ACKNOWLEDGEMENT:

The Board of Director place on record deep appreciation to the bankers, customers for their co-operation and support during the year under review and look forward to continuous cordial relations in the forth coming year.

For and On behalf of the Board


Naresh K. Gupta
Managing Director


Shailesh N. Gupta
Director



Place: Nashik
Date: September 9, 2016

Form No. AOC – 2

(Pursuant to clause (h) of sub section (1) of section 134 of the Companies Act, 2013 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 Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name (s) of the related party & nature of relationship	Type of Contract	Duration of Contract	Amount
Mr. Shailesh Gupta (Director)	Salary	Whole Year	Rs. 360,000/-

For and On behalf of the Board


Naresh K. Gupta
Managing Director


Shailesh N. Gupta
Director





RATAN CHANDAK & COMPANY

CHARTERED ACCOUNTANTS

1/A, Suyash Apartment, Mahatma Nagar, Trimbak Road, Nashik-422 007.
Tel. +91 253 2351193, Mobile +91 9822401039. Email: nasik@rcnco.net

■ **Niranjan R. Laddha**
B.Com., A.C.M.A., F.C.A., D.I.S.A. (ICAI)

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
FORTUNE FOODS LIMITED
Nashik.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s. FORTUNE FOODS LIMITED (U01511MH1989PLC186682) which comprise the balance sheet as at 31 March 2016 and the statement of Profit & loss of the company for the year ended on that date and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

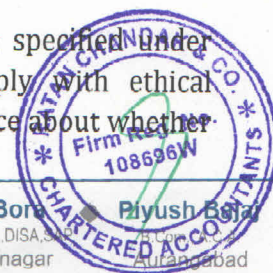
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' 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 and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(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.



◆ Devidas Chandak ◆ Sudhir Baheti ◆ Jaydeep Katariya ◆ Kaushal Mundada ◆ Rohit Bora ◆ Riyush Bora					
B.Com., F.C.A. Nagpur	B.Com., F.C.A. Nagpur	B.Com., F.C.A. Pune	M.Com., F.C.A. Jalgaon	B.Com., F.C.A., D.I.S.A. Ahmednagar	B.Com., F.C.A., D.I.S.A. Aurangabad

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements.

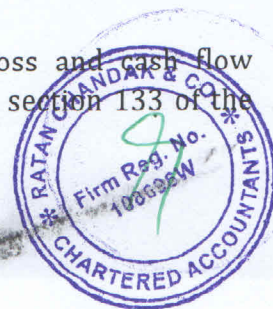
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanation 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, of the state of affairs of the company as at 31 March 2016, and its statement of profit or loss and cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As per the applicability criteria specified in the Clause 2(v) of paragraph 1 of the Companies (Auditors Report) Order 2016, issued by the Central Government in terms of section 143(11) of the Companies Act 2013 this order is applicable, we enclose in the *Annexure-1* a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. Further to our comments in the annexure referred to above as required by Section 143(3) of the Companies Act, 2013, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of books *subject to our remarks under notes to the audit report*;
 - c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards referred to in section 133 of the



Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 except that,

- *accounting standard (AS) 15-' Employee Benefits' for Retirement benefits of the employees by way of Leave encashment, Gratuity etc. which are not provided for and the quantum of the same have not been determined by the management.*

- e) On the basis of the written presentations received from the directors of the company as at 31 March, 2016 and taken on record by the board of directors, we report that, no director is disqualified as on 31 March 2016 from being appointed as a director of the company under section 164 (2) of the Companies Act, 2013; and
 - f) Our separate report on adequacy of internal financial control system and operating effectiveness of such controls is enclosed in Annexure-2.
3. 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:
- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27.1 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place : Nashik
Date : September 9, 2016

For Ratan Chandak & Co.
Chartered Accountants

Niranjan R. Laddha
Partner

Membership No.: 111756
Firm Reg. No.: 108696W

Notes to the Audit Report for the year ended March 31, 2016

1. *Cash balance as on 31 March 2016 is verified and certified by the management and not physically verified by us.*
2. *Confirmation of Creditors, Advances, Deposits have not been obtained and hence are subject to confirmation and reconciliation if any.*
3. *The company has entered into an agreement with Capital Foods Pvt Ltd for production of Tomato Ketchup, Sauces, Ginger, Garlic paste and other food items. Physical verification of inventories is conducted once in a year by Capital Foods Pvt Ltd and also management has verified, certified and valued the inventory but the same is not physically verified by us.*
4. *Trade Payables are bifurcated as current and non-current liabilities on the basis of information provided.*
5. *This report is based on the information and explanations given to us, and subject to the notes attached to the Balance Sheet and the Schedules thereto, are based on our interpretations among other things, inter-alia of judicial / semi judicial pronouncements, Circulars of the Central Board of Direct Taxes and guidance note of the Institute of Chartered Accountants of India.*
6. *We have applied the test check method for auditing. Most of the transactions are supported by external/third party documents viz. Invoice, receipts, contract notes, vouchers, etc. However, wherever supporting are not available we have relied on the vouchers prepared and approved by director of the company, and confirmed that, all these expenses are legitimate expenses incurred for the business.*
7. *Advance has been received from 'Opal SY International' for supply of Pomogranate Concentrate in the year FY 2008-09. The company was manufacturing & producing fruit concentrates earlier and made part supply of total contract. Subsequently the company shifted its business line and the said commitment could not be completed. The account of the party is not settled in relation to the advance received and supply made against it. Amount of Rs. 793,004/- has been determined as liability in the books of accounts. But the final liability may be ascertainable only after the final settlement is reached upon with the party.*



8. *Customs Duty liability is determined on the Imported Machinery purchased earlier. Interest due on it till 31st March 2012 has been also provided. No provision for interest for the FY 2012-13 and thereafter has been done.*



Place : Nashik
Date : September 9, 2016

For Ratan Chandak & Co.
Chartered Accountants

[Signature]
Niranjan R. Laddha
Partner

Membership No.: 111756
Firm Reg. No.: 108696W

Annexure-1 to the Audit Report

AUDITORS' REPORT AS PER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016

- i. (a) *The Company has maintained memorandum of fixed assets, however, the detail assets register showing full particulars, including quantitative details and situation of fixed assets is not available for verification.*

(b) *All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. However, discrepancies, if any, with book records can't be ascertained, as the records are not properly maintained.*

(c) *The title deeds of immovable property are held in the name of the Company.*
- ii. *The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.*
- iii. *The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or any parties covered in the register maintained under Section 189 of Companies Act, 2013, except for advances to Tigrania Metals Pvt. Ltd., in which directors has interest. The advances are made mainly for payment of statutory dues and for reimbursement of expenses, payments made by that company for and on behalf of the Fortune Foods Limited.*
- iv. *In our opinion and according to the information and explanations given to us, the Company has complied to the provisions of Section 185 and 186 of the Companies Act, 2013 in respect to loans, investments, guarantees and securities.*
- v. *The Company hasn't accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.. The directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under are therefore not applicable.*

No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal to the Company.
- vi. *In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the Company under sub-section (1) of section 148 of the Company Act, 2013.*



- vii. (a) According to the records of the Company, there are undisputed statutory dues outstanding for more than six months as on the last day of the financial year are as below.
- Payment of deferral Sales Tax liability installments of Rs. 160.08.*
 - There are undisputed liabilities of Rs. 3.85 lacs for Profession Tax, Rs. 63.91 lacs for VAT, Rs. 2.51 lacs for Custom duty are due.*
- (b) There are no any disputes are pending with any tax authority viz. income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess of which the amount has not been deposited on account of such dispute.
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings any financial institution, bank government. Company has no debenture holder during the year.
- ix. Neither any term loan has been obtained during the year nor any money was raised by way of public offer (including debt instruments) during the year by the company
- x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.
- xi. The managerial remuneration has been paid or provided in accordance with the provisions of Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company, accordingly paragraph 3 (xii) of the Order is not applicable.
- xiii. All the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Nashik
Date: September 9, 2016



For Ratan Chandak & Co.
Chartered Accountants

Niranjan R. Laddha
Partner

Membership No.: 111756
Firm Reg. No.: 108696W

Annexure-2 to the Audit 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 Foods Limited ("the Company") as of 31st March, 2016 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nashik
Date: September 9, 2016



For Ratan Chandak & Co.
Chartered Accountants

Niranjan R. Laddha
Partner
Membership No.: 111756
Firm Reg. No.: 108696W

FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Balance Sheet

as at 31 March 2016

(Currency: Indian Rupee)

Particulars	Note No.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	43,600,000	43,600,000
Reserve & Surplus	4	(28,782,562)	(27,493,269)
Non-Current Liabilities			
Long-term Borrowings	5	8,465,646	16,879,414
Deferred Tax Liabilities (net)		3,325,934	3,257,234
Current Liabilities			
Trade Payables	7	33,140,817	38,637,209
Other Current Liabilities	8	48,340,363	43,306,517
Short-term Provisions	9	151,290	53,540
Total		108,241,487	118,240,645
ASSETS			
Non-Current Assets			
Fixed Assets	26		
Tangible Assets		62,789,634	67,319,717
Capital Work in Progress		2,796,265	5,834,970
Non-current investments	10	91,000	91,000
Long Term Loans and Advances	11	661,650	343,150
Other non-current assets	12	73,900	73,900
Current Assets			
Inventories	13	-	26,009,868
Trade Receivables	14	29,786,217	15,093,494
Cash and Cash Equivalents	15	2,868,475	1,008,379
Short-term Loans and Advances	16	9,144,324	2,447,005
Other Current Assets	17	30,023	19,163
Total		108,241,487	118,240,645

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report attached
For Ratan Chandak & Co.
Chartered Accountants

Niranjan R Laddha
Partner

Membership No.: 111756
Firm Reg. No.: 108696W
Place: Nashik
Date: September 9, 2016



For and on behalf of the Board of Directors
of Fortune Foods Limited

Naresh Gupta
Director
(DIN - 00598765)



Shailesh Gupta
Director
(DIN - 1066537)

Place: Nashik
Date: September 9, 2016

FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Statement of Profit and Loss

for the year ended 31 March 2016

(Currency: Indian Rupee)

Particulars	Note No.	31st March 2016 Rs.	31st March 2015 Rs.
CONTINUING OPERATIONS			
Income			
Revenue from Operations	18	354,941,126	339,706,856
Other income	19	11,460	84,570
Total Revenue		354,952,586	339,791,426
Expenses			
Cost of Material Consumed	20	280,425,857	269,182,975
Purchase of Stock in Trade			
Increase/(Decrease) in the inventories of Finished goods, work-in-progress and traded goods	21	8,941,957	(367,331)
Employee Benefit Expense	22	16,010,990	12,805,174
Finance Cost	23	272,356	725,265
Depreciation and Amortisation Expenses	26	11,871,833	5,911,172
Other Expenses	24	32,751,884	46,257,543
Total Expenses		350,274,877	334,514,798
Profit / (Loss) before exceptional and extraordinary items and tax		4,677,709	5,276,628
Exceptional items	25	-	443,460
Profit / (Loss) before tax		4,677,709	4,833,168
Tax Expenses			
- Current Tax		-	-
- Deferred Tax		68,700	3,257,234
Profit/(Loss) After Tax		4,609,009	1,575,934
Basic and Diluted Earnings per share of Rs. 10 each		1.06	0.36

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report attached
For Ratan Chandak & Co.
Chartered Accountants

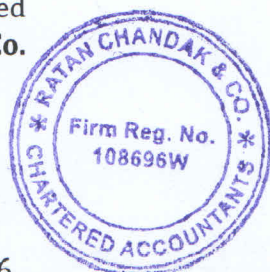
Niranjan R Laddha
Partner

Membership No.: 111756

Firm Reg. No.: 108696W

Place: Nashik

Date: September 9, 2016



**For and on behalf of the Board of Directors
of Fortune Foods Limited**

Naresh Gupta
Director
(DIN - 00598765)



Shailesh Gupta
Director
(DIN - 1066537)

Place: Nashik

Date: September 9, 2016

FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Cash flow statement

for the year ended 31 March 2016

(Currency : Indian Rupee)

Particulars	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
I Cash flows from operating activities		
Net profit/(loss) before tax	4,677,709	5,276,628
Adjustments for:		
Depreciation	11,871,833	5,911,172
Interest expense	272,356	725,265
Operating profit before working capital changes	16,821,899	11,913,065
Increase/(decrease) in sundry creditors	(9,861,087)	(5,014,726)
Increase/(decrease) in provisions	97,750	(100,384)
Decrease/(increase) in inventory	26,009,868	8,276,670
Decrease/(Increase) in other current asset	(7,026,679)	1,893,874
Decrease/(Increase) in sundry debtors	(14,692,723)	117,356
Cash generated from operations	11,349,027	17,085,856
Income taxes paid (including tax deducted at source)	-	-
Income tax refunds (including interest)	-	-
Net Cash flow before extraordinary items	11,349,027	17,085,856
Business Settlement Dues	-	(443,460)
Net cash from operating activities	11,349,027	16,642,396
II Cash flows from investing activities		
Payments for purchase of fixed assets	(10,201,348)	(15,202,344)
Advance for land purchase	-	-
Net cash used in investing activities	(10,201,348)	(15,202,344)
III Cash flows from financing activities		
Proceeds from secured loans	1,500,000	
Repayment of secured loans	(515,228)	(316,919)
Proceeds from unsecured loans	-	-
Interest paid	(272,356)	(725,265)
Net cash used in financing activities	712,416	(1,042,185)
IV Net increase / (decrease) in cash and cash equivalents (I+II+III)	1,860,095	397,867
Cash and cash equivalents at beginning of the year	1,008,379	610,513
Cash and cash equivalents at end of the year	2,868,475	1,008,379

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements.

As per our report attached
For Ratan Chandak & Co.
Chartered Accountants

Niranjan R. Laddha
Partner

Membership No.: 111756

Firm Reg. No.: 108696W

Place: Nashik

Date: September 9, 2016



For and on behalf of the Board of Directors
of Fortune Foods Limited

Naresh Gupta
Director
(DIN - 00598765)

Place: Nashik
Date: September 9, 2016

Shailesh Gupta
Director
(DIN - 1066537)



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2016

(Currency: Indian Rupee)

1 Background

Fortune Foods Limited ('the Company') was incorporated on 16th March 1989.

The Company is engaged in Manufacturing activity related to Fruit and Vegetable Pulp, Tomato and other vegetable Concentrates & Fruit Pulp Based Drinks, etc.

The Company is having its Registered Office at 5, Gulshan Apartment, Tigrania Corner, Mumbai Agra Road, Nashik - 422011 and having its manufacturing unit at Village Awankhed, Taluka Dindori, Dist. Nashik - 422202.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, with going concern assumption, on the accrual basis of accounting and are in accordance with the accounting principles generally accepted in India. The financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable.

2.2 Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

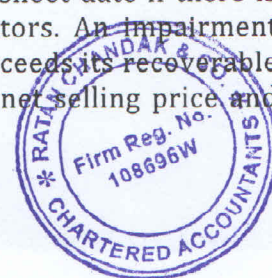
2.3 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and its written down value is stated. Cost includes inward freight, duties, taxes and incidental expenses related to the acquisition, construction and installation of the fixed assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on the fixed assets is provided on basis of Remaining useful life of assets on the Straight Line method over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

2.4 Impairment

- a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2016

(Currency: Indian Rupee)

value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

- b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.5 Investments

Investments in bank in fixed deposits are made in relation to business of the company and are stated at cost.

2.6 Inventories

Inventories are valued at the lower of cost and net realisable value after providing for cost of obsolescence. The method of determination of cost is as follows:

- Raw materials - At First-In-First-Out ('FIFO') method which includes all costs of purchase and costs incurred in bringing inventories to their present location and condition.
- Work in progress and finished goods - At cost, which includes direct material, labour cost and appropriate portion of factory overheads based on normal operating capacity.

Net realisable value is determined in the following manner:

- Raw materials - raw material inventory is written down below cost in cases where purchase prices have declined and it is estimated that the cost of finished products will exceed their net realisable value.
- Work in progress - estimated selling price of finished goods in the ordinary course of business less selling expenses and estimated cost of completion.
- Finished goods - estimated selling price of finished goods in the ordinary course of business less selling expenses.

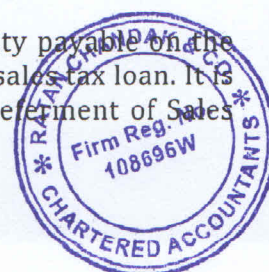
In case of job work activity, all inventory belong to the customer and does not form part of the inventory of the Company.

2.7 Current assets, loans and advances

Current assets, loans and advances are of the value stated if realisable in the ordinary course of business.

2.8 Loans and borrowings

Secured as well as unsecured loans are stated at full value of liability payable on the date of balance sheet or future date, except for liability for deferred sales tax loan. It is stated at discounted value as Net Present Value. Computation of Deferred Sales Tax



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2016

(Currency: Indian Rupee)

Tax liability has been made in accordance with NPV Method as provided by Department of Sales Tax, Maharashtra.

2.9 Revenue recognition

Revenue from sale of goods is recognised when goods are despatched and the title passes to the customers. Sales are stated net of sales tax and discounts.

2.10 Other Income

Interest income is accounted on accrual basis.

2.11 Employee Benefit

Employee benefit expenses include salary, wages, performance incentives, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, superannuation fund, gratuity, pensionary benefits etc.

Post-employment benefits and other long term employee benefits

Short term employee benefit obligations are estimated and provided for in the statement of profit and loss.

- Defined contribution plans

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to the statement of profit and loss in the period of incurrence when the services are rendered by the employees.

- Defined benefit plans and compensated absences

Expenditure on compensated absences and termination benefits (including expenditure on gratuity, voluntary retirement scheme, etc.) is recognised in the statement of profit and loss in the period of incurrence.

2.12 Income tax

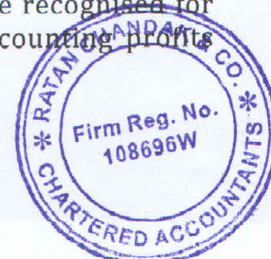
Current tax

Provision for income tax is recognised under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Indian Income Tax Act, 1961.

Since the company is having carried forward of Depreciation losses, Provision for Income Tax payable is not made in books of accounts

Deferred tax

Deferred tax expense or credit and the related liabilities or assets are recognised for future tax consequences attributable to the differences between accounting profits and taxable income.



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2016

(Currency: Indian Rupee)

Deferred tax assets are only recognised if there is reasonable certainty that they will be realised, except for deferred tax assets in respect of unabsorbed depreciation and carry forward business losses, which are recognised only to the extent there is virtual certainty that they will be realised. These assets are reviewed for the appropriateness of their carrying value at each balance sheet date. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted on the Balance Sheet date.

2.13 Earnings per share

The basic and diluted earnings per share is computed by dividing the profit/loss after tax available for equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.14 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered bank balances.

2.15 Provisions and contingencies

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.16 Extra-ordinary and exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the Company are classified as extra-ordinary item. Similarly any external event beyond the control of the Company, significantly impacting income or expense is also treated as extraordinary item and disclosed as such.

Certain occasions size, type or incidence of an item of income or expense pertaining to ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

3 Share Capital

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Authorised Capital 5,000,000 (PY 5,000,000) Equity shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid-up Capital 4,360,000 (PY 4,360,000) Equity shares of Rs. 10 each fully paid	<u>43,600,000</u> <u>43,600,000</u>	<u>43,600,000</u> <u>43,600,000</u>

(a) Reconciliation of the shares outstanding at the beginning and the end of the reporting period

	As at 31st March 2016		As at 31st March 2015	
<i>Equity shares of Rs. 10 each</i>	<i>Number of Shares</i>	<i>Rs.</i>	<i>Number of Shares</i>	<i>Rs.</i>
At the beginning of the period	4,360,000	4,360,000	4,360,000	4,360,000
Issued during the period (subscribed and fully paid at par)	-	-	-	-
Outstanding at the end of the period	<u>4,360,000</u>	<u>4,360,000</u>	<u>4,360,000</u>	<u>4,360,000</u>

(b) Terms or rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(c) Details of the shareholders holding more than 5% shares in the Company

Name of shareholders	As at 31st March 2016		As at 31st March 2015	
<i>Class of shares: Equity shares with voting rights</i>	<i>Number of Shares</i>	<i>% of holding</i>	<i>Number of Shares</i>	<i>% of holding</i>
Mr. Shailesh Naresh Gupta	241,800	5.546	241,800	5.546

(d) During the five years preceding year ended March 31, 2016, no shares have been allotted by way of bonus shares or pursuant to contracts without receipt of cash or bought back.

(e) No shares have been reserved for issue under options.

4 Reserve & Surplus

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Capital Reserve	3,000,000	3,000,000
Revaluation Reserve		
Opening Balance	10,387,779	12,220,374
Less: Amortization during the year	<u>(5,898,302)</u>	<u>(1,832,595)</u>
Closing Balance	<u>4,489,477</u>	<u>10,387,779</u>
Profit & Loss Account		
Balance as per last Financial Statements	(40,881,048)	(42,456,981)
Add: Profit for the current period	4,609,009	1,575,934
Closing Balance	<u>(36,272,038)</u>	<u>(40,881,048)</u>
Balance in Reserves & Surplus	<u>(28,782,562)</u>	<u>(27,493,269)</u>



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

5 Long Term Borrowings

	As at 31st March 2016		As at 31st March 2015	
	Current Maturities Rs.	Non-current Portion Rs.	Current Maturities Rs.	Non-current Portion Rs.
Term Loans -				
<i>Secured Loan</i>				
<i>From Other parties</i>				
State Bank of India		1,433,436		
Volkswagen Finance Limited		-	276,046	172,618
Deferred payment liabilities				
Deferred Sales Tax Liability	31,319,208	7,032,210	24,049,508	16,706,796
	31,319,208	8,465,646	24,325,554	16,879,414

- During the year 2015-16, a term loan from **State Bank of India** is obtained for Rs.15,00,000. The loan is secured for vehicle Mahindra XUV. The is secured against the hypothecation of the vehicle .
The loan is carrying interest at the rate of 9.65 % p.a. It is repayable in 60 monthly installments of Rs. 24,941/- from the date of loan repayable on 24th of every month. Date of Maturity of the Loan is September 2020 . As of the Balance Sheet date 54 monthly installments of the loan are pending.
- During the year 2013-14, a term loan of **Volkswagen Finance** is secured for vehicle for Vento Car(MH 15 BX 0343). The loan is secured against the hypothecation of the Vehicle.
- The loan carries interest at the rate of 11.32% p.a. It is repayable in 36 monthly installments of Rs. 26,067/- from the date of loan. Date of Maturity of the Loan was 20/10/2016. However as of the Balance Sheet date loan is repaid completely.
- The Deferred Sales Tax Liability is shown at Net Present Value as mentioned in the Notes to Accounts.

6 Deferred Tax Liabilities (net)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
<i>Deferred tax asset</i>		
Carried forward tax losses		(958,298)
- Carried forward business losses		(2,700,103)
- Unabsorbed tax depreciation	(2,202,935)	
Arising on account of timing differences in :		
- Payment of statutory dues u/s 43B	(1,205,536)	(2,883,609)
<i>Deferred tax liability</i>		
Arising on account of timing differences in :		
- Depreciation on fixed assets	6,734,405	9,799,244
Deferred Tax Liabilities (net)	3,325,934	3,257,234

7 Trade Payables

Payable for goods and services in normal course of business	33,140,817	38,637,209
	33,140,817	38,637,209

- There are no dues outstanding to Micro, Small and Medium Enterprises. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of and to the extent information received from the suppliers.



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
8 Other Current Liabilities		
Current maturities of long-term debt	-	276,046
Deferred sales tax liability	31,319,208	24,049,508
Advance from customers	793,004	793,004
Other payables		
Payable to Employees	270,361	191,589
Payable for Expenses	2,691,265	2,101,339
Duties and Taxes	13,422,525	15,887,532
Payable for reimbursements	(156,000)	7,500
	<u>48,340,363</u>	<u>43,306,517</u>
9 Short Term Provisions		
Provision for audit fees	151,290	53,540
	<u>151,290</u>	<u>53,540</u>
10 Non-current Investments		
Other non-current investments		
Trade Investments		
Fixed Deposit Axis Bank	91,000	91,000
	<u>91,000</u>	<u>91,000</u>
- The fixed deposit is made as a security against bank guarantee furnished to customs authorities.		
11 Long Term Loans & Advances		
Security Deposits		
Unsecured, considered good		
Electricity Deposit	661,650	343,150
	<u>661,650</u>	<u>343,150</u>
12 Other non-current assets		
Others		
Advance for Land Purchase	73,900	73,900
	<u>73,900</u>	<u>73,900</u>
13 Inventories		
Raw Materials	-	16,954,436
Stores and consumables	-	113,475
Finished Goods	-	8,941,957
	<u>-</u>	<u>26,009,868</u>
14 Trade Receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the due date	-	-
Unsecured, considered good		
Other Trade Receivables	29,786,217	15,093,494
	<u>29,786,217</u>	<u>15,093,494</u>



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

15 Cash & Bank Balances

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Balances with Banks		
- in current accounts	2,570,172	479,159
Cash on Hand	298,303	529,221
	<u>2,868,475</u>	<u>1,008,379</u>

16 Short Term Loans & Advances

<i>Unsecured, considered good</i>		
Advances Recoverable in Cash or Kind	6,697,319	-
Balance with Revenue Authorities	2,447,005	2,447,005
	<u>9,144,324</u>	<u>2,447,005</u>

17 Other Current Asset

Prepaid Insurance		-
TDS Receivable 15-16	1,086	
Accrued interest	28,937	19,163
	<u>30,023</u>	<u>19,163</u>

18 Revenue from Operations

Sale of Products	353,525,631	338,868,037
Sale of Scrap	1,266,645	838,819
	<u>354,941,126</u>	<u>339,706,856</u>

19 Other Income

Other Income	11,460	74,586
Interest on fixed deposits	-	9,984
	<u>11,460</u>	<u>84,570</u>

20 Cost of Material Consumed**Raw Material consumed**

Inventory at the beginning of the year (Net)	17,067,911	25,711,912
<u>Add: Raw material purchased</u>	<u>263,357,946</u>	<u>260,538,974</u>
	280,425,857	286,250,886
Less: Inventory at the end of the year (Net)	-	17,067,911
	<u>280,425,857</u>	<u>269,182,975</u>

Cost of Raw Materials Consumed**21 Changes in Inventories of Finished goods, Work in progress****Inventories at the end of the year**

Finished Goods	-	8,941,957
Work in Progress	-	-
	-	8,941,957

Inventories at the beginning of the year

Finished Goods	8,941,957	8,574,626
Work in Progress	-	-
Net (increase)/decrease	<u>8,941,957</u>	<u>(367,331)</u>



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

22 Employee Benefit Expense

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Salary, wages and bonus	15,202,388	12,019,199
Salary to directors	360,000	360,000
Staff Welfare Expenses	448,602	425,975
	<u>16,010,990</u>	<u>12,805,174</u>

23 Finance Cost

Interest on Secured Loans	118,831	77,792
Interest on Deferrment of Sales Tax	-	-
Other interest	153,525	647,473
	<u>272,356</u>	<u>725,265</u>

24 Other Expenses

Consumption of Stores & Spares	7,533,647	6,458,135
Donations & Contributions	22,500	32,500
Freight & Forwarding	3,431,300	3,238,577
Insurance	28,813	28,397
Legal & Professional Fees	72,260	111,308
Miscellaneous Expenses	1,192,955	863,281
Office Expenses	129,988	280,829
Payment to Auditors		
- Statutory Audit fees	63,250	56,180
- Tax Audit fees	34,500	28,090
- VAT Audit fees	-	28,090
- Taxation matters	-	56,180
Plant Expenses	532,941	289,238
Power & Fuel	16,310,095	29,988,693
Printing & Stationery	135,176	114,207
Professional & Consultancy Charges	50,666	61,917
Rates & Taxes	84,003	1,382,792
Rent	440,184	380,788
Repairs to Machinery	1,854,339	1,999,262
Telephone Expenses	221,689	202,867
Travelling & Conveyance	132,908	316,471
Water Charges	480,670	339,741
	<u>32,751,884</u>	<u>46,257,543</u>

25 Extra-Ordinary Items

Business Dues Settlement	-	443,460
	<u>-</u>	<u>443,460</u>



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

26 Fixed Assets

Tangible Assets

Particulars	Land	Borewell	Factory Building	Plant & Machinery	Furniture, Fixtures & Office Equipments	Computer & Software	Vehicles	Electricals	Total
At 1st April 2014	1,365,500	139,240	29,210,205	121,580,165	3,374,690	532,952	2,599,335	1,053,966	159,856,053
Additions	-	726,324	2,710,670	9,809,212	-	33,146	-	273,125	13,552,477
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2015	1,365,500	865,564	31,920,875	131,389,377	3,374,690	566,098	2,599,335	1,327,091	173,408,530
At 1st April 2015	1,365,500	865,564	31,920,875	131,389,377	3,374,690	566,098	2,599,335	1,327,091	173,408,530
Additions	-	100,188	-	11,205,239	-	31,714	1,786,097	116,815	13,240,053
Disposals	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(201,309)	-	(201,309)
At 31st March 2016	1,365,500	965,752	31,920,875	142,594,616	3,374,690	597,812	4,184,123	1,443,906	186,447,274
Depreciation									
At 1st April 2014	-	34,874	14,446,230	81,362,097	936,271	358,313	1,197,068	10,193	98,345,046
Charge for the year	-	3,981	622,153	4,644,332	213,618	87,614	246,937	92,538	5,911,172
Amortization of Revaluation Rese.	-	1,218	353,717	1,477,660	-	-	-	-	1,832,595
Disposals	-	-	-	-	-	-	-	-	-
As 31st March 2015	-	40,073	15,422,100	87,484,089	1,149,889	445,926	1,444,004	102,731	106,088,813
At 1st April 2015	-	40,073	15,422,100	87,484,089	1,149,889	445,926	1,444,004	102,731	106,088,813
Charge for the year	-	193,841	726,178	10,162,241	200,541	94,732	347,185	147,116	11,871,833
Amortization of Revaluation Reserve	-	53,437	532,252	5,312,613	-	-	-	-	5,898,302
Disposals	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(201,309)	-	(201,309)
As 31st March 2016	-	287,351	16,680,530	102,958,943	1,350,430	540,658	1,589,880	249,848	123,657,640
Net Block									
At 31st March 2015	1,365,500	825,491	16,498,775	43,905,287	2,224,801	120,172	1,155,331	1,224,360	67,319,717
At 31st March 2016	1,365,500	678,401	15,240,345	39,635,672	2,024,260	57,154	2,594,243	1,194,038	62,389,631

Note: Adjustment is for the value of old asset, which was fully depreciated and having no book value was impaired and disposed long back, but was still appearing in the fixed assets register, is now removed from the fixed assets register.



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

27.1 Contingent liabilities

- In the year 2006-07 Company has opted Sales tax NPV discounted paybale scheme and discounted the sales tax deferral liability of Rs. 5.76 crores to Rs. 2.29 crores. However, the company has not fully paid the amount till date and reversing the annual discounted value of the Sales tax deferral liability as interest. As on 31.03.2016 outstanding deferral sales tax liability is shown as long term borrowings for Rs. 3.83 crores; and the discounted value of sales tax deferral liability not yet reversed is Rs. 1.16 crores.
- Advance received from Customer contains advance from Opal SY International of Rs. 7,93,004/- which is taken for Pomogranate Concentrate Supply. It is business commitment which may not be completed in future. Partial advance received on 28.07.08 USD 23,328/- (INR 42.32 per USD) against supply Five Containers; out of this one container supplied on 26.09.08 Invoice amt USD 31,268.40 (INR 49.01 per USD) and adjust 15% i.e. USD- 3965.76 & Balance is equivalent to USD 19362.24 for which revaluation as on reporting date is not done.
- Customs Duty liability is determined on the Imported Machinery purchased last year. Interest due on it till 31st March 2012 has been also provided. No provision for interest thereon is made after the 31st March 2012.
- A case has been filed by Plenco Closures Pvt. Ltd for a matter in dispute. The decision of the court is pending and out of court settlement procedures are in process with the party. No provision has been determined in the books of accounts of the company for the same as the Company does not expecting any liability it (other than litigation expense).

27.2 Earnings per share

Particulars	As at 31st March 2016	As at 31st March 2015
Net profit after tax available for equity shareholders (Rs.)	4,609,009	1,575,934
Weighted average number of equity shares of Rs. 10 each outstanding during the year (Nos)	4,360,000	4,360,000
Basic and diluted earnings per share (Rs.)	1.06	0.36

27.3 Related Party Transactions:

In accordance with the requirements of Accounting Standard 18 i.e. "Related Party Disclosures" issued by the Institute of Chartered Accountants of India , the details of related party transactions are given below :

(a) List of related parties with whom transactions are effected during the year

Description of Relationship	Name of related parties
Shareholders and Key Management Personnel	Mr. Naresh K. Gupta (Director) Mr. Shailesh N. Gupta (Director) Mr. Balkrishna Jamdade (Independent Director) Mr. Manasram Ahire (Independent Director)
Other related parties	
Entities in which 'Key Management Personnel' holding substantial interest	Tigrania Metals Pvt. Ltd. Bhoruka Steel Traders

(b) Transactions with related parties during the year :

Nature of transactions	As at 31st March 2016		As at 31st March 2015	
	Shareholders and Key Management Personnel	Other related parties	Shareholders and Key Management Personnel	Other related parties
	Rs.	Rs.	Rs.	Rs.
Sales	270,361		191,589	
Salary to Directors	360,000		360,000	
Loans/Advances given		6,697,319		



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements

for the year ended 31 March 2016

(Currency : Indian Rupee)

(c) Balances outstanding

Outstanding balances at year end	As at 31st March 2016		As at 31st March 2015	
	Shareholders and Key Management Personnel	Other related parties	Shareholders and Key Management Personnel	Other related parties
	Rs.	Rs.	Rs.	Rs.
Loans & Advances	-	6,697,319	-	
Remuneration Payable	360,000		360,000	

(d) Names of the parties having related party transactions in excess of 10% (by nature of transaction):

Particulars	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Shareholders and Key Management Personnel		
Salary to Directors		
Mr. Naresh K. Gupta		
Mr. Shailesh N. Gupta	360,000	360,000
Other related parties		
Advance given		
Tigrania Metals Pvt. Ltd.	6,697,319	

27.4 Segmental Reporting

As prominently there is single primary segment i.e. of manufacturing and processing of vegetable/fruit pulp, juices, tomato ketchup, sauces, etc. the primary basis of segmental information in respect of which the requisite information is set out in these financial statements. In case of Secondary segmental reporting as well, in earlier years it is reported on the basis of the geographical location of the customers as Domestic and overseas, but in last three years there is no exports and all sales are domestic sales. Therefore, there is no reportable secondary segment on geographical location base. Also, there is no such any reportable segment therefore, the reporting under secondary segment is not made.

27.5 Details of dues to Micro, Small & Medium Enterprises

In the Previous year there is no payable or interest is outstanding or due to Micro, Small & Medium Enterprises registered under the Micro, Small & Medium Enterprises Development Act, 2006.

27.6 Foreign Exchange

Particulars	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
CIF value of imports	Nil	Nil
Expenditure or payment in foreign currency	Nil	Nil
Imported raw materials, spare parts and components consumed	Nil	Nil
Earnings in foreign currency	Nil	Nil

27.7 Previous Years Figures

The Company has reclassified previous year figures to confirm to this year's classification.

Place: Nashik
Date: September 9, 2016



For and on behalf of the Board of Directors

Naresh Gupta
Naresh Gupta
Director
(DIN - 00598765)

Shailesh Gupta
Shailesh Gupta
Director
(DIN - 1066537)

