

ANNUAL REPORT

FORTUNE FOODS LIMITED

PAN NO - AAACF4646C

Year Ended 31st March 2018

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



BOARD'S REPORT

Dear Members,

We are pleased to present Twenty Ninth (29th) Annual Report on business and operations together with the Audited Financial Statements and the Auditor's Report of your Company for the Year ended March 31st, 2018

FINANCIAL RESULTS (Standalone and Consolidated)

The Financial highlights of the Company for the financial year 31st March, 2018 are as follow:

	Year ended 31.03.2018	Year end 31.03.2017
Revenue From Operations	14,41,76,347	106,807,100
Other Income	83,570	11,814
Total Income	14,42,59,917	106,818,914
Profit / (loss) before Interest & Depreciation	10,194,600	10,345,960
Less: Finance Cost	44,33,119	379,109
Less: Depreciation	8,523,413	7,028,833
Profit/(loss) for the year before tax	(5,567,187)	2,938,018
Tax Expense	0	0
Current Tax	(7,08,530)	2,164,435
Deferred Tax		
Profit/(loss) after tax	(4,858,657)	773,583
Accumulated profit/(loss) brought forward	(35,498,455)	(36,272,038)
Accumulated profit/(loss) carried forward	(40,357,112)	(35,498,455)

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

FINANCIAL PERFORMANCE

During the year, Your Company recorded a total income of **Rs. 14,42,59,917/-** as against **Rs. 106,818,914/-** in the previous year. The Net profit/loss of the Company for Financial Year 2017-2018 was (4,858,657) against Net profit of 773,583 during last year.

DIVIDEND AND TRANSFER TO RESERVES

With a view to conserve resources for Company's operations and debt servicing, your Directors do not recommend payment of dividend for the year ended 2017-2018. The profit earned during the year has been transferred to General Reserve of the Company.

CAPITAL STRUCTURE

At present, the Authorized share capital of the Company is Rs.50000000/- (Five Crore) divided into 5000000 (Fifty Lacs) Equity Shares of Rs.10/- each.

At present, the issued and paid up Share Capital of the Company is Rs. 43600000/- (Four Crore and Thirty Six Lacs) comprising of 4360000 (Forty three Lacs and Sixty thousand) Equity Shares of Rs.10/- each.

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 statement relate on the date of this report

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the Board of Directors.

MEETINGS OF THE BOARD AND ITS COMMITTEES

Information in respect of the composition of Board, qualification of Board members, field of specialization, status of Directorships, meetings held during the financial year 2017-2018 and their attendance at each meeting of the Board and its Committees are as under:

BOARD MEETING

NUMBER OF MEETINGS-

7

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Number of directors attended
1	07/04/2017	5	5
2	30/06/2017	5	5
3	28/08/2017	5	5
4	02/09/2017	5	5
5	12/10/2017	5	5
6	24/12/2017	5	5
7	18/03/2018	5	5

COMMITTEE MEETINGS

NUMBER OF MEETINGS-

12

S. No.	Date of meeting	Type of meeting	Number of members attended
1	15/04/2017	Audit Committee Meeting	3
2	12/07/2017	Audit Committee Meeting	3
3	20/10/2017	Audit Committee Meeting	3
4	10/01/2018	Audit Committee Meeting	3
5	28/03/2018	Audit Committee Meeting	3
6	02/05/2017	Nomination & Remuneration Committee Meeting	3
7	28/12/2017	Nomination & Remuneration Committee Meeting	3
8	10/04/2017	Stakeholders Relationship Committee Meeting	3
9	02/11/2017	Stakeholders Relationship Committee Meeting	3
10	10/11/2017	Risk Management Committee Meeting	2
11	05/07/2017	Corporate Governance Committee Meeting	2
12	13/01/2018	Corporate Governance Committee Meeting	2

Composition of Board

During the year, the composition of the Board of Directors of your Company has been in conformity with the requirements of the Companies Act, 2013. The Board of Directors of the Company as on 31st March 2018 consisted of Five Directors comprising two independent directors, Two executive directors and one additional director.

During the Financial year 2017-2018, Seven Board meetings were held. The brief of attendance of director's detail is as under:

S No.	Name of the Director	Category	No. of meetings attended
1	NARESH KUNJLAL GUPTA	Managing- director	7
2	SHAILESH NARESH GUPTA	Whole- Time director	7
3	MANJU NARESH GUPTA	Executive Director	7
4	BALKRISHNA BHIKU JAMDADE	Director	7
5	MANSARAM KARBHARI AHIRE	Director	7

COMMITTEES OF THE BOARD

With a view to promote better governance and accountability, your Board has constituted following mandatory committee's viz. Audit Committee, Nomination and Remuneration Committee. Also constituted are other committee's viz. Stakeholders Relationship Committee, Risk Management Committee and Corporate Governance Committee,

The terms of reference of these Committees are determined by the Board considering applicable provisions of Companies Act, 2013 including rules made there under, relevance and expectation of the Board from committee and are reviewed from time to time.

Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting, reviewing the financial statement and statement of cash flow and reviewing the Company's statutory and internal audit

activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013.

The Audit committee met 5 times during the financial year ended 31st March 2018 i.e. on 15/04/2017, 12/07/2017, 20/10/2017, 10/01/2018 and 28/03/2018.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company met 2 times during the financial year ended 31st March 2018 i.e. on 02/05/2017 and 28/12/2017.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company met 2 times during the financial year ended 31st March 2018 i.e. on 10/04/2017 and 02/11/2017.

Risk Management Committee

The Risk Management Committee of the Company met 1 time during the financial year ended 31st March 2018 i.e. on 10/11/2017

Corporate Governance Committee

The Corporate Governance Committee of the Company met 2 times during the financial year ended 31st March 2018 i.e. on 05/07/2017 and 13/01/2018

STATUTORY AUDITORS

M/s. Ratan Chandak & Company, Chartered Accountants, were appointed as a 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 FY 2018-19. Further as per 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 the conclusion of next Annual general Meeting.

AUDITORS REPORT

The notes on Financial Statement referred to in the Auditor's Report are self-explanatory and do not call for any of other comment.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business.

ADDITION/ IMPROVEMENT IN NATURE OF BUSINESS:

During the Financial year under review there is no addition or improvement in nature of business.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND 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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION: NIL

FOREIGN EXCHANGE EARNINGS AND OUTGOINGS: NIL

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3) (C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were 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 has constituted 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 UNDER SECTION 186

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

PARTICULARS OF EMPLOYEE

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 related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Accordingly, the said transactions are being reported in form AOC-2 in terms of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

All the related party transaction are presented before the Board for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

EVALUATION OF BOARD'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 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 the Clause 49 of the Listing Agreement.

INTERNAL CONTROLS

Your Company has adequate system of internal control in place.

Internal Financial Controls are part and partial of process and system procedures. It is being monitored by the Company & Audit Committee on regular basis. The Internal audit is conducted to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements and reports are placed before the Audit Committee for its review.

VIGIL MECHANISM

Your Company has formed Vigil Mechanism to report Mis-management and frauds. This mechanism operating very well.

HEALTH SAFETY & ENVIRONMENT

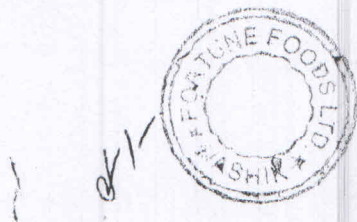
Your Company attaches highest priority to safety, occupational health and protection of environment in and around its working areas. Besides your Company has installed necessary fire safety measures, CCTV cameras have also been installed and the Company conducts regular fire and earthquake mock drills, health awareness programs and water and electricity conservation activities from time to time.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation, extended by banks and financial institutions, government and shareholders and look forward to having the same support in all our future endeavors.

Your Directors also place on record there sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support.

For Fortune Foods Limited



SHAILESH NARESH GUPTA
Whole- Time Director
DIN: 01066537



MANJU GUPTA
Director
DIN: 01789958

Date- 03-09-2018
Place- Nashik

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.

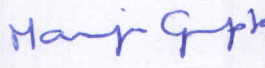
There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

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. 7,20,000/-
Mr. Manasram Ahire (Independent Director)	Sitting fees	Whole Year	Rs. 3,91,500/-
FFL Marketing Pvt. Ltd.	Sale of goods	Whole Year	Rs. 4,73,28,594/-
FFL Agro Pvt. Ltd.	Sale of fixed asset	Specific Transaction	Rs. 2,00,000/-
Tigrania Metals Pvt. Ltd,	Purchase of fixed asset	Specific Transaction	Rs. 17,40,000/-

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


Shailesh N. Gupta
Director
(DIN - 1066537)


Manju N. Gupta
Director
(DIN - 01789958)



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 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, 2017, which were not at Arm's length basis.

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

Name of related party and nature of relationship	Type of contract	Duration of contract	Amount
Mr. Shailesh Gupta (Director)	Salary	Whole Year	Rs. 720,000/-

For Fortune Foods Limited



SHAILESH NARESH GUPTA
Whole- Time Director
DIN: 01066537



Manju Gupta

MANJU GUPTA
Director
DIN: 01789958

Date-
Place- Nashik



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
FORTUNE FOODS LIMITED
Nashik.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of M/s. FORTUNE FOODS LIMITED (U01511MH1989PLC186682) ("the Company") which comprise the Balance Sheet as at 31 March 2018 and the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply



◆ Devidas Chandak B.Com., F.C.A. Nagpur	◆ Sudhir Baheti B.Com., F.C.A. Nagpur	◆ Jaydeep Katariya B.Com., F.C.A. Pune	◆ Kaushal Mundada B.Com., F.C.A. Jalgaon	◆ Rohit Bora F.C.A., DISA (ICAI), SAP Ahmednagar	◆ Piyush Bajaj B.Com., A.C.A. Aurangabad
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with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31 March 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in *Annexure- 1* a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
 - a) We have sought and 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, Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;



- d) In our opinion the aforesaid Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Companies Act, 2013 except that,
- *Indian Accounting Standard (Ind AS) 19-' 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.*
 - *Ind AS 108- 'Operating Segments'-The Company has been engaged in manufacturing as well as job work during the year. Job work constituted the major portion of revenue for the year. The Company could have reported two segments- Manufacturing and Job Work, however, as no discrete financial information is maintained/ available with the Company, the Company has not recognized different operating segments.*
- e) On the basis of the written presentations received from the directors of the company as at 31 March, 2018 and taken on record by the board of directors, we report that, no director is disqualified as on 31 March 2018 from being appointed as a director of the company under section 164 (2) of the Companies Act, 2013; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in *Annexure 2*.
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28.1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Nashik

Date :

1 SEP 2018



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, 2018

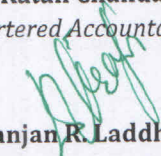
1. Cash balance as on 31 March 2018 is verified and certified by the management and not physically verified by us.
2. Confirmation of Creditors, Advances, Deposits have not been obtained and hence are subject to confirmation and reconciliation if any.
3. Trade Payables are bifurcated as current and non-current liabilities on the basis of information provided.
4. 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.
5. 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.
6. 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 :

1 SEP 2018

For Ratan Chandak & Co.
Chartered Accountants


Niranjana 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 detail assets register showing full particulars, including quantitative details and situation of fixed assets is available for verification.
 - (b) All the assets have not been physically verified by the management during the year and as informed 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (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. The advances are made mainly for trade advances 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.



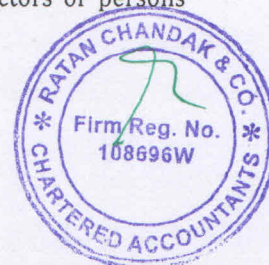
- vii. (a) According to the records of the Company, there are undisputed statutory dues outstanding for more than six months as on the last day of the financial year are as below:

- i. Payment of deferral Sales Tax liability installments of Rs. 246.21 lakhs.
- ii. There are undisputed liabilities of Rs. 4.24 lakhs for Profession Tax, Rs. 11.70 lakhs for Service Tax, Rs. 65.48 lakhs for VAT and CST, Rs. 8.45 lakhs for GST, Rs. 2.51 lakhs for Custom duty, Rs. 69.33 lakhs for Excise duty and Rs. 0.32 lakhs for TDS and TCS are due.

- (b) Following disputes are pending with tax authorities which the amount has not been deposited on account of such dispute:

Nature of Tax	Amount	Period to which amount relates	Forum where dispute is pending
Sales Tax (MVAT & CST)	Rs. 25,79,640	FY 2012-13	Jt. Commissioner of Sales Tax, Appeals
Sales Tax (MVAT & CST)	Rs. 48,31,450	FY 2013-14	Jt. Commissioner of Sales Tax, Appeals

- 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



Ratan Chandak & Co.
Chartered Accountants

Fortune Foods Limited
F.Y. 2017-18

- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



Place: Nashik
Date: **1 SEP 2018**

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, 2018 in conjunction with our audit of the Ind AS 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

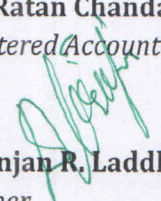
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria 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: 1 SEP 2018

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 2018

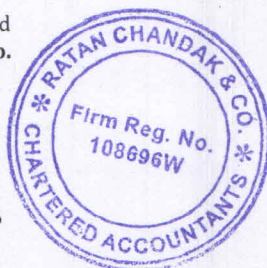
(Currency: Indian Rupee)

Particulars	Note No.	Amount as on March 31, 2018	Amount as on March 31, 2017	Amount as on April 1, 2016
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	7,71,59,068	7,88,75,990	6,27,89,634
(b) Capital work-in-progress	3	18,25,067	-	27,96,265
(c) Financial Assets				
Others financial assets	4	10,47,580	8,71,350	7,52,650
(d) Other non-current assets	5	73,900	73,900	73,900
2 Current assets				
(a) Inventories	6	1,19,48,699	2,09,55,000	-
(b) Financial Assets				
(i) Trade receivables	7	2,20,26,206	64,76,926	2,97,86,217
(ii) Cash and cash equivalents	8	11,37,744	3,31,972	28,68,475
(iii) Loans	9	-	(764)	66,97,319
(iv) Others financial assets	10	50,864	39,569	28,937
(d) Other current assets	11	62,45,704	40,93,310	24,48,091
Total Assets		12,15,14,831	11,17,17,253	10,82,41,487
EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share capital	12	4,36,00,000	4,36,00,000	4,36,00,000
(b) Other Equity	13	(3,37,79,241)	(2,89,20,585)	(2,87,82,562)
2 LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	73,63,157	1,22,63,880	84,65,646
(c) Deferred tax liabilities (Net)	15	47,81,839	54,90,369	33,25,934
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	4,05,88,720	3,22,57,870	3,31,40,817
(ii) Trade payables	17	2,95,14,943	2,51,60,300	3,13,19,208
(iii) Other financial liabilities	18	2,91,94,412	2,17,04,419	1,70,21,155
(b) Other current liabilities	19	2,51,000	1,61,000	1,51,290
(c) Provisions				
Total Equity and Liabilities		12,15,14,831	11,17,17,253	10,82,41,487

Summary of Significant Accounting Policies 2
See accompanying notes to the financial statements

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

Niranjan B. Laddha
Partner
Membership No.: 111756
Firm Reg. No.: 108696W
Place: Nashik
Date: September 1, 2018



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

Manju Gupta
Director
(DIN - 01789958)

Place: Nashik
Date: September 1, 2018

Shailesh Gupta
Director
(DIN - 1066537)



FORTUNE FOODS LIMITED
(CIN - U01511MH1989PLC186682)

Statement of Profit and Loss
for the year ended 31 March 2018
(Currency: Indian Rupee)

Particulars	Note No.	31st March 2018 Rs.	31st March 2017 Rs.
I Revenue from Operations	20	14,41,76,347	10,68,07,100
II Other income	21	83,570	11,814
III Total Income (I+II)		14,42,59,917	10,68,18,914
IV Expenses			
Cost of Material Consumed	22	7,87,31,987	5,40,48,758
Purchase of Stock in Trade			
Changes in the inventories of Finished goods, Stock-in-Trade and work-in-progress	23	86,57,880	(1,10,30,000)
Employee Benefit Expense	24	1,49,49,874	1,42,95,998
Finance Cost	25	44,33,119	3,79,109
Depreciation and Amortisation Expenses	3	88,28,667	79,40,439
Other Expenses	26	3,17,25,576	3,91,58,198
Total Expenses (IV)		14,73,27,103	10,47,92,502
V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(30,67,187)	20,26,412
VI Exceptional items	27	(25,00,000)	-
VI Profit / (Loss) before tax (V-VI)		(55,67,187)	20,26,412
VII Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(7,08,530)	21,64,435
VIII Profit/(Loss) for the year (VI-VII)		(48,58,657)	(1,38,023)
IX Other Comprehensive Income		-	-
X Total Comprehensive Income for the year (VIII+IX)		(48,58,657)	(1,38,023)
XI Earnings per Equity Share (of Rs. 10 each): Basic and Diluted Earnings per share		(1.11)	(0.03)

Summary of Significant Accounting Policies
See accompanying notes to the financial statements

2

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 1, 2018



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

Manju Gupta
Director
(DIN - 01789958)

Place: Nashik
Date: September 1, 2018

Shailesh Gupta
Director
(DIN - 1066537)



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Cash flow statement

for the year ended 31 March 2018

(Currency : Indian Rupee)

Particulars	31st March 2018	31st March 2017
	Rs.	Rs.
I Cash flows from operating activities		
Net profit/(loss) before tax	(55,67,187)	20,26,412
Adjustments for:		
Depreciation	88,28,667	79,40,439
Dividend Received	(360)	
Business Settlement Dues	25,00,000	
Interest expense	44,33,119	3,79,109
Operating profit before working capital changes	1,01,94,240	1,03,45,960
Increase/(decrease) in sundry creditors	83,30,850	(8,82,947)
Increase/(decrease) in other current liabilities	74,89,994	46,83,264
Increase/(decrease) in provisions	90,000	9,710
Decrease/(increase) in inventory	90,06,301	(2,09,55,000)
Decrease/(Increase) in other current asset	(4,65,637)	65,39,250
Decrease/(Increase) in sundry debtors	(1,55,49,280)	2,33,09,290
Cash generated from operations	1,90,96,469	2,30,49,528
Income taxes paid (including tax deducted at source)	(18,75,046)	(16,15,718)
Income tax refunds (including interest)	-	-
Net Cash flow before Exceptional items	1,72,21,423	2,14,33,810
Business Settlement Dues	(25,00,000)	-
Net cash from operating activities	1,47,21,423	2,14,33,810
II Cash flows from investing activities		
Payments for purchase of fixed assets	(89,36,812)	(2,12,30,530)
Dividend Received	360	
Net cash used in investing activities	(89,36,452)	(2,12,30,530)
III Cash flows from financing activities		
Proceeds from secured loans	-	10,80,000
Repayment of secured loans	(5,46,080)	(4,91,571)
Repayment of unsecured loans	-	(29,49,103)
Interest paid	(44,33,119)	(3,79,109)
Net cash used in financing activities	(49,79,199)	(27,39,783)
IV Net increase / (decrease) in cash and cash equivalents (I+II+III)	8,05,772	(25,36,503)
Cash and cash equivalents at beginning of the year	3,31,972	28,68,475
Cash and cash equivalents at end of the year	11,37,744	3,31,972

Summary of Significant Accounting Policies
See accompanying notes to 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 1, 2018



(Note 2)

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

Manju Gupta
Director
(DIN - 01789958)

Shailesh Gupta
Director
(DIN - 1066537)

Place: Nashik
Date: September 1, 2018



FORTUNE FOODS LIMITED

(CIN - U01511MH1989PLC186682)

Statement of Change in Equity

for the year ended 31 March 2018

(Currency: Indian Rupee)

Particulars	Equity Share Capital	Other Equity		Total Equity
		Capital reserve	Retained Earnings	
Balance as at 1 April 2016	4,36,00,000	30,00,000	(3,17,82,562)	1,48,17,438
Profit for the year	-	-	(1,38,023)	(1,38,023)
Balance as at 31 March 2017	4,36,00,000	30,00,000	(3,19,20,585)	1,46,79,415
Balance as at 1 April 2017	4,36,00,000	30,00,000	(3,19,20,585)	1,46,79,415
Profit for the year	-	-	(48,58,657)	(48,58,657)
Balance as at 31 March 2018	4,36,00,000	30,00,000	(3,67,79,241)	98,20,759

Summary of Significant Accounting Policies
See accompanying notes to the financial statements

(Note 2)

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 1, 2018



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

Manju Gupta
Director
(DIN - 01789958)

Shailesh Gupta
Director
(DIN - 1066537)



Place: Nashik
Date: September 1, 2018

Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

1 Background

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

The Company is engaged in manufacturing and job work related 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 of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2016. Refer note 3 for the details of first time adoption exemptions availed by the Company.

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.

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 Property, Plant and Equipment (PPE) and depreciation

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP including previous GAAP revaluation as its deemed cost as permitted by Ind AS 101 'First-time Adoption of



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

Indian Accounting Standards'. The revaluation, at the date of revaluation, was broadly comparable to fair value.

PPE are carried at deemed cost 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 PPE. Borrowing costs directly attributable to acquisition or construction of those PPE which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on the PPE 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 Capital work-in-progress

Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.5 Impairment of assets

- 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 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.

2.6 Financial Assets

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

2.7 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:



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

- 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 inventories belong to the customer and do not form part of the inventory of the Company.

2.8 Current assets

Current assets are of the value stated at cost if realisable in the ordinary course of business.

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

2.10 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.

2.11 Other Income

Interest income is accounted on accrual basis.



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

2.12 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.

2.13 Income taxes

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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. 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.



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

2.14 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.

2.15 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 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.

2.16 Accounting for Provisions, Contingent Liabilities and Contingent Assets

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.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.17 Exceptional items

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.

3 Explanation of transition to Ind AS

As stated in Note 2, the Company's financial statements for the year ended 31 March 2018 are the first annual financial statements prepared by the Company in order to comply with



Fortune Foods Limited

Notes to the Financial Statements

for the year ended 31 March 2018

(Currency: Indian Rupee)

Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below. Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated above in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2018, the financial statements for the year ending 31 March, 2017 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2016. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

3.1 Explanation of adjustments within Equity:

The transition from Previous GAAP to Ind AS has no impact on the Equity. However, as per Ind AS 101, Revaluation Surplus is transferred to Retained Earnings on date of transition as revalue cost of PPE as per previous GAAP has been considered as deemed cost.

3.2 Reconciliation of total comprehensive income:

Particulars	For the year ended 31 March, 2017
Profit as per Previous GAAP	7,73,583
Depreciation on revalued amount of PPE recognised directly in Revaluation reserve	(9,11,606)
Net Profit/ (Loss) as per Ind AS	(1,38,023)
Other Comprehensive Income (net of taxes)	-
Total Comprehensive income as per Ind AS	(1,38,023)



FORTUNE FOODS LIMITED
(CIN - U01511MH1989PLC186682)

Notes forming part of the Financial Statements
for the year ended 31 March 2018
(Currency : Indian Rupee)

3 Property, Plant and Equipment:

Property, Plant and Equipment:											Capital W/P	
Particulars	Land	Borewell	Factory Building	Plant & Machinery	Furniture, Fixtures & Office Equipments	Computer & Software	Vehicles	Electricals	Total	Building	Plant and Machinery	Total
At 1st April 2016	13,65,500	9,65,752	3,19,20,875	14,25,94,616	33,74,690	5,97,812	43,85,432	14,43,906	18,66,48,583	-	-	-
Additions	-	28,675	76,96,669	1,16,45,253	41,000	61,936	11,95,267	33,57,995	2,40,26,795	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	13,65,500	9,94,427	3,96,17,544	15,42,39,869	34,15,690	6,59,748	55,80,699	48,01,901	21,06,75,378	-	-	-
At 1st April 2017	13,65,500	9,94,427	3,96,17,544	15,42,39,869	34,15,690	6,59,748	55,80,699	48,01,901	21,06,75,378	-	-	-
Additions	-	-	-	72,92,668	12,000	7,077	-	-	73,11,745	85,067	17,40,000	18,25,067
Disposals	-	-	-	(2,00,000)	-	-	-	-	(2,00,000)	-	-	-
At 31st March 2018	13,65,500	9,94,427	3,96,17,544	16,13,32,537	34,27,690	6,66,825	55,80,699	48,01,901	21,77,87,123	85,067	17,40,000	18,25,067
Depreciation												
At 1st April 2016	-	2,87,351	1,66,80,530	10,29,58,943	13,50,430	5,40,658	17,91,189	2,49,848	12,38,58,949	-	-	-
Charge for the year	-	1,68,453	10,36,775	57,22,625	3,04,963	69,212	4,84,606	1,53,805	79,40,439	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As 31st March 2017	-	4,55,804	1,77,17,305	10,86,81,568	16,55,393	6,09,870	22,75,795	4,03,653	13,17,99,388	-	-	-
At 1st April 2017	-	4,55,804	1,77,17,305	10,86,81,568	16,55,393	6,09,870	22,75,795	4,03,653	13,17,99,388	-	-	-
Charge for the year	-	1,69,048	12,75,145	61,12,033	2,87,204	30,515	4,96,608	4,58,114	88,28,667	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As 31st March 2018	-	6,24,852	1,89,92,450	11,47,93,601	19,42,597	6,40,385	27,72,403	8,61,767	14,06,28,055	-	-	-
Net Block												
At 31st March 2017	13,65,500	5,38,623	2,19,00,239	4,55,58,300	17,60,297	49,878	33,04,904	43,98,248	7,88,75,990	-	-	-
At 31st March 2018	13,65,500	3,69,575	2,06,25,094	4,65,38,935	14,85,093	26,440	28,08,296	39,40,134	7,71,59,068	85,067	17,40,000	18,25,067



FORTUNE FOODS LIMITED

for the year ended 31 March 2018

Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
4 Other Financial Assets			
Fixed Deposit Axis Bank*	91,000	91,000	91,000
Unsecured, considered good			
Electricity Deposit	9,56,580	7,80,350	6,61,650
	<u>10,47,580</u>	<u>8,71,350</u>	<u>7,52,650</u>
* The fixed deposit is made as a security against bank guarantee furnished to customs authorities.			
5 Other non-current assets			
Advance for Land Purchase	73,900	73,900	73,900
	<u>73,900</u>	<u>73,900</u>	<u>73,900</u>
6 Inventories			
Raw Materials	93,76,029	97,25,000	-
Stores and consumables	2,00,550	2,00,000	-
Finished Goods	23,72,120	1,10,30,000	-
	<u>1,19,48,699</u>	<u>2,09,55,000</u>	<u>-</u>
* Refer Note 2 for mode of valuation			
7 Trade Receivables			
Unsecured, considered good			
Other Trade Receivables	2,20,26,206	64,76,926	2,97,86,217
	<u>2,20,26,206</u>	<u>64,76,926</u>	<u>2,97,86,217</u>
8 Cash & Bank Balances			
Cash on Hand	9,76,555	2,21,897	2,98,303
Balances with Banks			
- in current accounts	1,61,189	1,10,075	25,70,172
	<u>11,37,744</u>	<u>3,31,972</u>	<u>28,68,475</u>
9 Loans and advances			
Unsecured, considered good			
Balance with related parties	-	(764)	66,97,319
	<u>-</u>	<u>(764)</u>	<u>66,97,319</u>
10 Other Financial Assets			
Accrued interest	50,864	39,569	28,937
	<u>50,864</u>	<u>39,569</u>	<u>28,937</u>
11 Other Current Asset			
Balance with Revenue Authorities	60,99,144	40,63,809	24,48,091
Prepaid Insurance	29,501	29,501	-
Prepaid License Renewal	1,17,059	-	-
	<u>62,45,704</u>	<u>40,93,310</u>	<u>24,48,091</u>



FORTUNE FOODS LIMITED

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Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
12 Share Capital			
Authorised Capital			
5,000,000 (PY 5,000,000) Equity shares of Rs. 10 each	5,00,00,000	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up Capital			
4,360,000 (PY 4,360,000) Equity shares of Rs. 10 each fully paid	4,36,00,000	4,36,00,000	4,36,00,000
	4,36,00,000	4,36,00,000	4,36,00,000

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

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
Equity shares of Rs. 10 each	Number of Shares	Rs.	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of the period	43,60,000	43,60,000	43,60,000	43,60,000	43,60,000	43,60,000
Issued during the period (subscribed and fully paid at par)	-	-	-	-	-	-
Outstanding at the end of the period	43,60,000	43,60,000	43,60,000	43,60,000	43,60,000	43,60,000

(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 2018		As at 31st March 2017		As at 1st April 2016	
Class of shares: Equity shares with voting rights	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Shailesh Naresh Gupta	2,41,800	5.546	2,41,800	5.546	2,41,800	5.546

(d) During the five years preceding year ended March 31, 2018, 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.

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
13 Other Equity:			
Capital Reserve			
Opening Balance	30,00,000	30,00,000	30,00,000
Additions	-	-	-
Deductions	-	-	-
Closing Balance	30,00,000	30,00,000	30,00,000
Retained Earnings			
Opening Balance	(3,19,20,585)	(3,17,82,562)	(3,17,82,562)
Add: Profit for the current period	(48,58,657)	(1,38,023)	-
Closing Balance	(3,67,79,241)	(3,19,20,585)	(3,17,82,562)
Total	(3,37,79,241)	(2,89,20,585)	(2,87,82,562)

14 Long Term Borrowings**Term Loans -****Secured Loan****(I) from Banks**

State Bank of India

(II) from other parties

Cholamandalam Investment and Finance Co Ltd

Deferred payment liabilities

Deferred Sales Tax Liability

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
Secured Loan			
(I) from Banks	8,76,814	10,83,866	14,33,436
(II) from other parties	-	3,99,004	-
Deferred payment liabilities			
Deferred Sales Tax Liability	64,86,343	1,07,81,010	70,32,210
	73,63,157	1,22,63,880	84,65,646



FORTUNE FOODS LIMITED

for the year ended 31 March 2018

Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

- 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 10.05 % p.a. It is repayable in 84 monthly installments of Rs. 24,941/- from the date of loan repayable on 24th of every month.

- During the year loan of Rs. 10,80,000/- is taken from Cholamandalam Investment and Finance Co. for purchase of 2 (commercial) goods carriage vehicles. The loan carries interest at the rate of 12.25% p.a. It is repayable in 36 monthly installments of Rs. 36,000/- from the date of loan.
- The Deferred Sales Tax Liability is shown at Net Present Value as mentioned in the Notes to Accounts.

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.	As at 1st April 2016 Rs.
15 Deferred Tax Liabilities (net)			
<i>Deferred tax asset</i>			
Carried forward tax losses			
- Carried forward business losses			
- Unabsorbed tax depreciation	(8,10,218)	(8,10,218)	(22,02,935)
Arising on account of timing differences in :			
- Payment of statutory dues u/s 43B	(6,49,336)	(6,49,336)	(12,05,536)
<i>Deferred tax liability</i>			
Arising on account of timing differences in :			
- Depreciation on fixed assets	62,41,393	69,49,923	67,34,405
Deferred Tax Liabilities (net)	<u>47,81,839</u>	<u>54,90,369</u>	<u>33,25,934</u>
16 Trade Payables			
Payable for goods and services in normal course of business	4,05,88,720	3,22,57,870	3,31,40,817
	<u>4,05,88,720</u>	<u>3,22,57,870</u>	<u>3,31,40,817</u>
- 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.			
17 Other Financial Liabilities			
Current maturities of long-term debt	5,98,971	5,38,995	-
Deferred sales tax liability	2,89,15,972	2,46,21,305	3,13,19,208
	<u>2,95,14,943</u>	<u>2,51,60,300</u>	<u>3,13,19,208</u>
18 Other Current Liabilities			
Advance from customers	7,93,004	7,93,004	7,93,004
Payable for purchase of fixed assets	4,50,764		
Other payables			
Payable to Employees	16,54,545	1,32,303	2,70,361
Payable for Expenses	18,38,760	25,20,667	26,91,265
Duties and Taxes	2,44,57,340	1,82,58,445	1,34,22,525
	<u>2,91,94,412</u>	<u>2,17,04,419</u>	<u>1,70,21,155</u>
19 Provisions			
Provision for audit fees	2,51,000	1,61,000	1,51,290
	<u>2,51,000</u>	<u>1,61,000</u>	<u>1,51,290</u>



FORTUNE FOODS LIMITED

for the year ended 31 March 2018

Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.
20 Revenue from Operations		
Sale of Products	4,98,56,674	3,90,52,312
Sale of Scrap	10,99,971	10,52,241
Job Work Charges	9,32,19,702	6,67,02,547
	<u>14,41,76,347</u>	<u>10,68,07,100</u>
21 Other Income		
Dividend Income	360	-
Interest income	83,210	11,814
	<u>83,570</u>	<u>11,814</u>
22 Cost of Material Consumed		
Raw Material consumed		
Inventory at the beginning of the year (Net)	99,25,000	-
Add: Raw material purchased	<u>7,83,83,566</u>	<u>6,39,73,758</u>
	8,83,08,566	6,39,73,758
Less: Inventory at the end of the year (Net)	95,76,579	99,25,000
Cost of Raw Materials Consumed	<u>7,87,31,987</u>	<u>5,40,48,758</u>
23 Changes in Inventories of Finished goods, Work in progress		
<u>Inventories at the end of the year</u>		
Finished Goods	23,72,120	1,10,30,000
Work in Progress	-	-
	<u>23,72,120</u>	<u>1,10,30,000</u>
<u>Inventories at the beginning of the year</u>		
Finished Goods	1,10,30,000	-
Work in Progress	-	-
Net (increase)/decrease	<u>86,57,880</u>	<u>(1,10,30,000)</u>
24 Employee Benefit Expense		
Salary, wages and bonus	1,38,47,108	1,34,93,959
Salary to directors	7,20,000	3,60,000
Staff Welfare Expenses	3,82,766	4,42,039
	<u>1,49,49,874</u>	<u>1,42,95,998</u>
25 Finance Cost		
Interest on Secured Loans	1,89,104	2,39,721
Other interest	42,44,015	1,39,388
	<u>44,33,119</u>	<u>3,79,109</u>



FORTUNE FOODS LIMITED

for the year ended 31 March 2018

Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.
26 Other Expenses		
Consumption of Stores & Spares	58,85,023	95,71,858
Donations & Contributions	46,500	31,000
Freight & Forwarding	11,37,564	18,69,352
Insurance	94,665	32,852
Legal & Professional Fees	6,77,423	1,26,877
Miscellaneous Expenses	13,17,659	22,03,052
Office Expenses	1,68,208	1,80,864
Payment to Auditors		
- Statutory Audit fees	60,000	69,000
- Tax Audit fees	40,000	57,500
- VAT Audit fees	-	34,500
- Taxation matters	-	9,710
Plant Expenses	32,386	2,78,086
Power & Fuel	1,86,27,169	1,80,01,346
Printing & Stationery	1,16,340	2,21,432
Professional & Consultancy Charges	1,84,530	1,29,620
Rates & Taxes	14,832	31,183
Rent	1,29,500	4,59,800
Repairs to Machinery	9,97,029	23,18,118
Marketing, Sales & Distribution Expense	9,14,587	18,08,524
Telephone Expenses	1,92,320	3,15,324
Travelling & Conveyance	4,64,541	6,36,995
Water Charges	6,25,300	7,71,205
	3,17,25,576	3,91,58,198
27 Exceptional Items		
Business Dues Settlement	25,00,000	-
	25,00,000	-

- There was an old disputed outstanding amount payable to Tetra Pak India Pvt. Ltd. pertaining to year prior to 2005-06. Subsequently, in the year 2012-13 the management was of the view that this amount will not be payable and therefore it was written back being 'business dues settlement' as an exceptional item. However, Tetra Pak India Pvt. Ltd. continued to dispute and in the year 2017-18 there is settlement to avoid any further legal disputes and the Company has agreed to pay a sum of Rs. 25 lakhs to the company as settlement of claim of Tetra Pak India Pvt. Ltd. The Company has paid Rs. 10 lakhs upto March 31, 2018.



FORTUNE FOODS LIMITED

for the year ended 31 March 2018

Notes forming part of the Financial Statements

for the year ended 31 March 2018

(Currency : Indian Rupee)

28.1 Contingent liabilities

- In the year 2006-07 Company has opted Sales tax NPV disallowed payale 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 31.03.2018 outstanding deferral sales tax liability is shown as long term borrowings for Rs. 3.54 crores; and the discounted value of sales tax deferral liability not yet reversed is Rs. 10.73 lakhs.
- 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 in FY 2011-12. 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 of Income Tax is pending in the Jabalpur High Court about the allowability of unabsorbed depreciation Rs. 1,24,61,512/-pertaining to year A.Y. 1997-98. In all the lower appellate offices i.e. CIT Appeal and ITAT the matter was decided in favour of the Company and the Income Tax Department has referred appeal in High Court. The management is of view that, the matter will be decided in favour of the Company and there is no need of making any provision for the same and therefore, it is not provided in the books of accounts.

28.2 Earnings per share

Particulars	As at 31st March 2018	As at 31st March 2017
Net profit after tax available for equity shareholders (Rs.)	(48,58,657)	(1,38,023)
Weighted average number of equity shares of Rs. 10 each outstanding during the year (Nos)	43,60,000	43,60,000
Basic and diluted earnings per share (Rs.)	(1.11)	(0.03)

28.3 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) Mrs. Manju Naresh Gupta (Director)
Other related parties	
Entities in which 'Key Management Personnel' holding	Tigrania Metals Pvt. Ltd. FFL Marketing Pvt. Ltd.
Relatives of Key Management Personnel	FFL Agro Pvt. Ltd.

(b) Transactions with related parties during the year :

Nature of transactions	As at 31st March 2018		As at 31st March 2017	
	Shareholders and Key Management Personnel	Shareholders and Key Management Personnel	Shareholders and Key Management Personnel	Other related parties
	Rs.	Rs.	Rs.	Rs.
Sales	-	4,73,28,594	-	2,72,75,661
Purchase of fixed asset	-	17,40,000	-	84,09,974
Sale of fixed asset	-	2,00,000	-	-
Salary to Directors	7,20,000	-	3,60,000	-
Sitting Fees	3,91,500	-	-	-

