

30th
Annual Report

2011-2012



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

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

BANKERS

State Bank of Bikaner & Jaipur, Naraina Industrial Estate, New Delhi
 ICICI Bank Limited, Naraina Industrial Estate, Phase1, New Delhi

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the members of Fortune International Limited will be held at 10.00 a. m on Friday, 28th September, 2012 at G- 22 Shahi Road, Bijwasan, New Delhi- 110061, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Prashant Verma who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s. L.N. Malik & Co, Chartered Accountants, as Statutory Auditors of the Company and authorise the Board to fix their remuneration.

Date: 3rd September, 2012

Place: New Delhi

By order of the Board of Directors

Registered Office:

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

Sd/-
Nivedan Bharadwaj
(Whole Time Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy form duly completed and stamped, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified true copy of the resolution passed at the Board Meeting authorizing their representative to attend and vote on behalf of the Company.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September, 2012 to 28th September, 2012 (both days inclusive) for the purpose of convening of Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Securities Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintaining their demat accounts. Members holding shares in physical forms can submit their PAN details to the R&T Agent.

8. The company has entered in to an agreement with both the depositories viz, National Securities Depositories Limited (NSDL) and Central Depositories Service (India) Limited (CDSL) for custody and Dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository participant of NSDL or CDSL.

9. The Company proposes to implement the “Green Initiative” as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Accordingly, your Company proposes to send the Notices, Annual Reports etc. for the financial year ended 31st March, 2013 in electronic form to the members of the Company. Members are requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned elsewhere in the Annual Report quoting their folio number(s). We will also notify you the date of Annual General Meeting and the availability of the said documents by posting company’s website However, if you wish to receive the said documents in physical form, kindly inform us accordingly.

10. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be re-appointed at the ensuing Annual General Meeting:

Name of the Director	Mr. Prashant Bhagwandas Verma
Date of Birth	2 nd June, 1965
Date of appointment	31 st January, 2001
Qualification	B.Sc
Expertise in specific functional area	He has done diploma in marketing from William Business College, Sydney, Australia and worked with Essar group. Presently he is working as Senior Management Executive with Oxigen services (India) Pvt. Ltd. for the last 6 years.
List of other Directorships held	Nil
Chairman or members of the Committee of the Board of Directors of other Companies	Nil
No of Shares held in the Company as on 31.03.2012	15,300

DIRECTORS' REPORT

**To
The Members,**

Your directors have pleasure in presenting the Thirtieth Annual Report along with the Audited Accounts for the year ended on 31st March, 2012

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

Particulars	Current Year 2011-12	Previous Year 2010-11
Total Income	6.90	686.81
Profit/(Loss) before Depreciation, Interest, Tax and Amortization	2.75	(387.86)
Interest	0.11	11.43
Depreciation	0.66	2.54
Profit/(Loss) before Tax	1.98	(401.64)
Provision for Income Tax	-	-
Profit/(Loss) after Tax	1.98	(401.64)
Balance brought forward from previous year	(758.04)	(356.40)
Balance Carried over to the Balance Sheet	(756.06)	(758.04)

DIVIDEND

In view of unavailability of the profit, the Board of Directors of the Company regret their inability to recommend any dividend for the financial year ended 31st March, 2012.

OPERATIONS

During the year under review, the management was unable to revive its export trading business due to lack of adequate resources, thereby there was no operating revenue. The income from non-operating sources dropped substantially from Rs. 681.54 lacs in previous year to Rs.6.90 lacs during the current financial year.

DIRECTORS

Mr. Prashant Verma, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Pursuant to Clause 49 of the Listing Agreement, a detailed profile of the Director retiring by rotation is provided along with the Notice convening Annual General Meeting.

REVOCATION OF SUSPENSION IN TRADING OF EQUITY SHARES WITH BOMBAY STOCK EXCHANGE LIMITED

Members are aware that trading in equity shares of the company with Bombay Stock Exchange Limited (BSE) had been suspended since September, 2001. The management of the Company has approached BSE for revocation of the suspension and resumes trading in equity shares of the Company. In this regard, the company has received In-principle approval for revocation for suspension of trading of equity shares of the company with BSE and the trading in equity shares of the company is expected to start on the platform of BSE in due course.

DEMATERIALIZATION OF SHARES OF THE COMPANY

We are pleased to inform to all the members that the shares of the company (Issued and paid up capital 70,40,000 shares of Rs. 10/-each) has been admitted for dematerialization form with both depositories, National Securities Depositories Limited (NSDL) and central Depository Securities Limited (CDSL). The ISIN Activation number is INE501D01013. Members are requested to avail this demat facility with any one of the depositories said above.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposits under section 58A of the Companies Act, 1956 during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year under review.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared the accounts for the year under review on a 'going concern' basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, Directors furnish herein below the additional information:

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

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

PARTICULARS OF EMPLOYEES

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

STATUTORY AUDITORS

The present statutory auditors of the Company, M/s. L.N. Malik & Co, Chartered Accountants, hold office up to the conclusion of the forthcoming Annual General Meeting. The present auditors have confirmed their willingness and eligibility under section 224(1B) of the Companies Act, 1956 for their reappointment as Statutory Auditors for the financial year 2012-13. The members are requested to consider their re-appointment for the current financial year 2012-13 and authorize the Board of Directors to fix their remuneration.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Report on Corporate Governance as per the requirements of Clause 49 of the Listing Agreement forms part of this Annual Report.

The requisite certificate from Mr. Deepak Rane, Company Secretary in practice, confirming compliance with the conditions of Corporate Governance as per Clause 49 of the Listing Agreement is annexed to this Report.

ACKNOWLEDGEMENTS:

The Board of Directors put on record their sincere thanks to the clients, vendors, bankers and advisors for their continued support and co-operation during the year. Your Directors also wish to place on record their appreciation for the business associates and shareholders.

By order of the Board of Directors

Sd/-

Nivedan Bharadwaj
(Whole Time Director)

Place: New Delhi

Date: 3rd September, 2012

Registered Office:

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

REPORT ON CORPORATE GOVERNANCE

Good governance encompasses conduct of the Company’s business in an ethical, transparent, fair and equitable manner with due regard to the interests of various stakeholders, exercising proper control over the Company’s assets and transactions.

Corporate Governance Philosophy

- Respect, accountability and fairness towards all stakeholders.
- Create value for all stakeholders without compromising on ethical principles.
- Clear communication of relevant information and high degree of disclosure levels

Fortune International Limited (FIL) believes that the principles of fairness, transparency and accountability are the cornerstones for good governance. Good corporate governance practice enables management to direct and control the affairs of the company in an efficient manner. FIL is committed to achieve and maintain higher standards of corporate governance on an ongoing basis and therefore operates with in accepted standards of prosperity, fair play and justice, which are fundamental to the company.

The following report on corporate governance has been provided pursuant to Clause 49 of the listing Agreements.

BOARD OF DIRECTORS

a) Composition of Board

- i). Total strength of the Board of Directors of the Company is four Directors comprising one Non-Executive Chairman, one Executive Director and two Non -Executive Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements.
- ii). None of the Directors is a members of more than ten committees or Chairman of more than five committees across all the companies in which he/ she is a director as required under clause 49 of the Listing Agreements.
- iii). The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships /memberships held by them in other companies as on 31st March, 2012 are given below:

Name of Director	Category (Executive/ Non-Executive/ Independent)	No. of Board Meetings Attended	Attendance at previous AGM on 20th July, 2011	No. of outside Directorships Held	No. of Committee positions held in other Public Companies
Mrs. Rekha Shrivastava	Non-Executive Chairman	7/7	Present	8	Nil
Mr. Nivedan Bharadwaj	Executive Director	7/7	Present	2	Nil
Mr. Madan Lal Jain	Independent Director	7/7	Present	7	Nil
Mr. Prashant Verma	Independent Director	7/7	Present	Nil	Nil

- iv) Seven (7) Board Meetings were held during the financial year ended 31st March, 2012 and the gap between the two meetings did not exceed four months.
- v) The Board meetings were held on 14th May, 2011, 18th June, 2011, 12th August, 2011, 20th October, 2011, 14th November, 2011 19th January, 2012 and 14th February, 2012.

BOARD COMMITTEES

The Board has constituted three Committees of Directors:

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders / Investors Grievance and Share Transfer Committee

I. Audit Committee

a) Composition of Audit Committee & Attendance at Meeting:

The Audit Committee of the Company comprises of three members. Five Audit Committee Meetings were held during the year on 14th May, 2011, 18th June, 2012, 12th August, 2011, 14th November, 2011 and 14th February, 2012. The necessary quorum was present for all the Meetings. The Audit Committee meetings are usually held at the registered office of the Company and are normally attended by the Chairman, Directors and representative of the Statutory Auditor.

The composition and attendance of the members at the Audit Committee Meetings are as follows:

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

Meeting and Attendance

Name of the Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings Attended
Mr. Madan Lal Jain	5	5
Mr. Prashant Verma	5	5
Mrs. Rekha Shrivastava	5	5

Mr. Madan Lal Jain, Chairman of the Audit Committee was present at the last Annual General Meeting held on 20th July, 2011 to answer the shareholders’ queries.

The minutes of the meeting of the Audit Committee are placed before the board and the company is following the recommendation of the Audit Committee.

b) Terms of Reference:

The Constitution of the audit committee also meets the requirements under section 292A of the Companies Act, 1956. The terms of reference and power of the audit committee are in line with those contained under clause 49 of the Listing Agreement.

II. Remuneration Committee

The company has reconstituted the Remuneration Committee with effect from 16th December, 2010.

a) Composition of Remuneration Committee

The Remuneration Committee comprises three directors. One is Non Executive Director and other two are Independent Directors.

The composition of the members at the Remuneration Committee as follows:

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

b) Terms of reference:

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

c) Remuneration Policy:

Remuneration to the Whole Time Directors is paid in accordance with the provisions of the Companies Act, 1956 and the appointment letter which contained the terms and conditions for appointment were approved by the Board and members.

The remuneration structure comprises of salary, perquisites and allowances. The Committee recommends the remuneration payable to Whole Time Director based on their contribution to the growth and development of the Company, keeping in mind the remuneration package in the industry, subject to provisions of the Companies Act, 1956.

d) Director Remuneration

a. Remuneration to Executive Director

The Shareholders at the Extra Ordinary Meeting held on 25th January 2011 have approved the remuneration payable to Mr. Nivedan Bharadwaj, Whole Time Director of the company for the period of three years with effect from 25th January, 2011. As per the terms and conditions of the appointment approved by the Board and shareholders, an amount of Rs. 1,20,000/- was paid to Mr. Nivedan Bharadwaj, towards the remuneration, during the Financial Year 2011-12.

b. Remuneration to Non Executive Directors

None of the Non Executive Independent Directors are drawing any salary nor sitting fees for attending Board meeting or any commission from the Company. There is no pecuniary relationship or transaction between any of the Non Executive Director and the Company.

No. of Equity Shares held by Non- Executive Directors

Name	Number of Equity Shares held
Mr. Madan Lal Jain	2,700
Mr. Prashant Verma	15,300
Mrs. Rekha Shrivastava	6,50,000

III. Shareholders' / Investors' Grievance and Share Transfer Committee:

The Share Transfer & Shareholders / Investor's Grievance Committee of the Company looks into the matter like transfer / transmission, issue of duplicate shares, non-receipt of declared dividend etc. and investigate the investor's complaints and take necessary steps for redress thereof.

The Shareholders'/ Investors' Grievance and Share Transfer Committee comprised of three Directors. Two meetings of the Committee were held during the financial year 2011-12. The composition of the members at the Shareholders' / Investors' Grievance and Share Transfer Committee is as follows: -

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

Meeting and Attendance

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mrs. Rekha Shrivastava	2	2
Mr. Madan Lal Jain	2	2
Mr. Prashant Verma	2	2

Purva Sharegistry (India) Private Limited is the Registrar and Transfer Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor's services. The Committee also advises on the matter enabling better investor services and relations.

Status of complaints received for the year 2011-12

No. of Complaints received - 5
 No. of Complaints resolved - 5
 No. of Complaints pending - Nil
 No Complaints were pending /outstanding as on 31st March 2012.

COMPLIANCE OFFICER

Mr. Nivedan Bharadwaj, the Whole Time Director of the Company, is the Compliance officer of the Company.

NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Particulars of Directors to be re-appointed at the ensuing Annual General Meeting is given under the note no. 10 of the Notice convening the meeting.

SUBSIDIARY COMPANY

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

GENERAL BODY MEETINGS**1. Annual General Meetings**

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

Year	Venue	Date & Time	Special Resolution Passed
2008-09	G-22, Shahi Road, Bijwasan, New Delhi- 110061	26th September 2009 11.00 a.m.	No Special Resolution passed
2009-10	G-22, Shahi Road, Bijwasan, New Delhi- 110061	17th September 2010 10.00 a.m.	Mrs. Rekha Shrivastava, Chairman & Whole Time Director has been re appointed as Non-Rotational Director for the period of 5 years with effect from 30th September 2010
2010- 11	G-22, Shahi Road, Bijwasan, New Delhi- 110061	20th July 2011 10.00 a.m.	No Special Resolution passed

All the Resolutions were passed with requisite majority.

2. Postal Ballot

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

OTHER DISCLOSURES**a. Related Party Transaction**

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

b. Statutory Compliance, Penalties and structures

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

c. Accounting Standards

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

d. Risk management

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

e. Proceeds from Public Issue

There was no public issue of equity shares of the Company during the year 2011-12,

f. Compliance with the Mandatory /Non Mandatory requirements.

1. The company has complied with all the applicable mandatory requirements of clause 49 of the Listing Agreements.
2. All the mandatory items of Clause 49 have been complied with and covered in this report. In respect of Non Mandatory requirement of Clause 49, the Company has complied with appointment of all three Non Executive Directors as members of Remuneration Committee. The composition of this Committee has been detailed earlier in this report.

CERTIFICATE FROM COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Certificate from the Company Secretary in Practice in respect of compliance of Clause 49 of Listing Agreement with the Bombay Stock Exchange Limited (BSE) regarding Corporate Governance is enclosed in this Annual Report.

CEO/CFO CERTIFICATION

In terms of Clause 49(V) of the Listing agreement, Mr. Nivedan Bharadwaj, Whole Time Director and Mr. Anil Kukreja, General Manager – Finance, have issued certificate to the Board of Directors which forms a part of the Annual Report of the Company.

MEANS OF COMMUNICATIONS

1. The quarterly, half yearly results and annual financial results are sent to the Stock Exchanges immediately after they have been taken on record by the board. The same are published in newspapers in Regional Language (Janasatta) and English (Financial Express).
2. The quarterly and annual Financial Result, Shareholding Pattern, Code of Conduct for the Board of Directors and Senior Management as well as Code of Conduct for prohibition of Insider Trading are also posted on the Company's website namely, www.filgroup.in for the benefit of the shareholders.
3. Whenever the Company issues any press release, it is sent to the Stock Exchanges.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

GENERAL SHAREHOLDER INFORMATION

1) Date, Time and Venue of AGM	28 th September, 2012 at 10.00 a.m G- 22 Shahi Road, Bijwasan, New Delhi – 110061
2) Financial Year	April 1, 2011- March 31, 2012
3) Dates of Book Closure	26 th September 2012 to 28 th September, 2012 (both days inclusive)
4) Dividend Payment Date	There is no dividend recommended by the Board
5) Listing on Stock Exchange	1. Bombay Stock Exchange Ltd 2. Delhi Stock Exchange Association Limited 3. Madras Stock Exchange Limited 4. Calcutta Stock Exchange Association Limited
6) BSE Scrip Code	530213

MARKET PRICE DATA: HIGH LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

Trading in equity shares of the Company has been suspended by the Bombay Stock Exchange since September, 2001. Therefore, market price of the shares is not available with the Company. During the year under review the company has received In-principle approval for revocation of suspension of trading in equity shares of the company with BSE.

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX, etc

Due to suspension of the trading in equity shares of the Company, comparison in performance to the BSE Sensex could not be done.

SHARE TRANSFER SYSTEM

Purva Shareregistry (India) Private Limited has been appointed as Registrar & Share Transfer Agent from December 2010. Address for communication for Shareholding related queries is as follows:

M/s. Purva Shareregistry (India) Private Limited
 9, Shiv Shakti Industrial Estate
 J.R. Boricha Marg, Lower Parel (E)
 Mumbai - 400011

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

Range (in Rs)	Number of Shareholders	% of Shareholders	Amount in Rs.	% of Paid up Capital.
001- 5000	2,129	93.14	27,84,360	3.96
5001-10,000	61	2.68	5,22,000	0.74
10,001- 20,000	37	1.63	5,69,000	0.81
20,001- 30,000	7	0.31	1,83,000	0.26
30,001- 40,000	3	0.13	1,12,000	0.16
40,001- 50,000	7	0.31	3,33,000	0.47
50,001- 1,00,000	9	0.40	8,59,000	1.22
1,00,000- and above	23	1.01	6,50,37,640	92.38
Total	2276	100.00	7,04,00,000	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has 70,40,000 equity shares of Rs. 10 each as on 31st March 2012. The company shares are available for dematerialization with both the depositories viz National Securities Depositories Limited and Central Depository Securities Limited.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

Category	No. of shares held	Percentage to shareholding (%)
Foreign Companies	Nil	Nil
Non Resident (Individual & Companies)	Nil	Nil
Foreign Financial Institution	Nil	Nil
Financial Institutions	Nil	Nil
Mutual Fund	Nil	Nil
Promoters	57,48,864	81.66
Resident Individual (Public)	7,57,036	10.75
Nationalized Bank	Nil	Nil
Other Bodies corporate (Public)	5,33,600	7.58
HUF (Public)	500	0.01
In Transit	Nil	Nil
Others (shares underlying under GDR)	Nil	Nil
Total	70,40,000	100.00

OUTSTANDING GDRs:

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

ADDRESS FOR CORRESPONDENCE:**Mr. Anil Kukreja**

General Manager (Finance & Accounts)

Fortune International Limited

G - 4, C- Block Community Centre,

Naraina Vihar, New Delhi - 110028

E-mail: fil12033@gmail.com

By order of the Board of Directors

sd/-

Nivedan Bharadwaj
(Whole Time Director)

Date: 3rd September, 2012

Place: New Delhi

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

To
**The Members,
Fortune International Limited.**

We have examined the compliance of conditions of Corporate Governance by **Fortune International Limited** for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Deepak Rane,
(Company Secretary)
(A.C.S No: 24110 & C.P No: 8717)

Date: 3rd September, 2012
Place: Mumbai

Chief Executive Officer (CEO) and Chief Financial officer (CFO) Certificate**The Board of Directors****Fortune International Limited**

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

We, Nivedan Bharadwaj, Whole Time Director and Anil Kukreja, GM-Finance of **Fortune International Limited** ("the Company") do certify to the Board that:-

- (a). We have reviewed the Balance Sheet and the Profit and Loss Account and all the schedules and notes on accounts as well as the cash flow statement for the year ended 31st March 2012 and that to the best of our knowledge and belief:
- (i). the said statements do not contain any false, misleading or materially untrue statement or figures or omit any material fact, which may make the statement or figures contain therein misleading; and
 - (ii). the said statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b). We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that
- (i) There have been no significant changes in internal control over financial reporting during the year;
 - (ii) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There has been no commitment of any fraud, whether or not significant, that involves management or other employee who have a significant role in the company's internal controls.

For **Fortune International Limited**

Sd/-
Nivedan Bharadwaj
Whole Time Director

Sd/-
Anil Kumar Kukreja
General Manager- Finance

Place: New Delhi

Date: 3rd September, 2012

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

In accordance with clause 49 of the listing agreements with the Bombay Stock Exchange Ltd, to the best of my knowledge and belief and on the basis of declaration given to me, I hereby affirm that all the Directors and the senior management personal have affirmed compliance with the code of conduct as laid down by the company as applicable to them for the financial year ended on 31st March, 2012.

Sd/-

Nivedan Bharadwaj
(Whole Time Director)

Place: New Delhi

Date: 3rd September, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Industry Overview:

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

India's merchandise exports crossed the government's goal \$300 billion in the financial year ended March 2012. India's main export partners are European Union, United States, United Arab Emirates and China.

Some of the Top Export Sectors in India

- ✓ **Agriculture:** The agricultural industry in India contributes a major share to the export business as, unlike other countries in the world, agriculture is the backbone of Indian economy. Some of the most valued products in the international market include spices, wheat, rice, sugar, tobacco and tea.
- ✓ **Jewellery:** The outstanding collection of jewellery in India is another important export industry.. The jewellery from India are in great demand in the foreign markets.
- ✓ **Textiles and Apparels:** Another sector which contributes a massive share to the country's GDP is the textile industry. According to recent reports around 30 percent of the total exports include the textile exports. The demand of Indian textiles, with its exemplary texture and colors, has increased its value in the international markets.
- ✓ **Leather Products:** The Indian exporters find it easy to market leather products of the country because of its high availability and excellent quality. It is one of those industries which contributes to the growth and development of the nation.
- ✓ **Chemical products:** The chemical industry in India is another well known sector where the Indian exporters contribute around 7 percent to the country's GDP. India has made outstanding achievements in the field of medicine and pharmaceuticals.
- ✓ **Furnishing products:** . Since the textile industry in India is one of the best in the world, the Indian exporters make huge profits with the export of these accessories.

OPPORTUNITIES & STRENGTHS

Indian exporters have a healthy competition with neighbouring countries which has further led to the growth of export sector in the Country. The government has created new opportunities by introducing several policies to augment the export sector. The introduction of various trade policies have led to a substantial flow of foreign currency.

There are certain opportunities and strengths in the export business which has been specified below.

1. Availability of low cost and skilled manpower provides competitive advantage to industry;
2. Industry has large and diversified segments that provide wide variety of products;
3. Large International Market;
4. Elimination of quota restriction leads to greater market development;
5. Greater investment and FDI opportunities are available.

THREATS AND WEAKNESS

1. Competition from other developing countries, especially China;
2. Continuous quality improvement is need of the hour as there are different demand patterns all over the world;
3. Threat for traditional market facing the product diversification;
4. International labour and environmental laws;
5. To make balance between price and quality.

RISKS AND CONCERNS

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

- a) **POLITICAL RISK:** The Country where our customers are located may experience major political instability. Such instability could result in defaults on payments, confiscation of property, exchange transfer blockages etc.
- b) **LEGAL RISK:** At domestic level, businesses are subject to a myriad of laws, regulations, and restrictions. But there are much more complexities in international business. International transactions are governed by unilateral measures, bilateral relationships, multilateral and regional agreements. The differences in law may have impact in such areas as taxation, currency dealings, property rights and employments practices.
- c) **CREDIT RISK:** While doing business internationally, trading can seem complicated and risky. Besides political, legal and other risks, the most common problem businesses face is the risk in the transaction.
- d) **EXCHANGE RATE RISK:** Our major business involves export to the other Countries and the transactions are primarily done in the currency of US dollars (US\$). The exchange rate between the Rupee and the U.S. Dollar has changed substantially in the last two decades and could fluctuate substantially in the future. Fluctuations in Indian Rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations.

OUTLOOK

The Company has been engaged in exporting a wide range of products to over 20 Countries including Hong Kong, Germany, Singapore, Russia, USA, UK, Japan, Europe in the past. The Company indentifies customers abroad through its branch offices agents and the marketing efforts by its directors.

The Company has good customer and Market in all the Countries. A multi-pronged strategy has been adopted with focus on quality, cost/ prices, enhanced the customer satisfaction and international levels of service.

However, the export business is not like domestic business which has lot of problems in internal factor as well as external factor. During the year, the Company has faced difficulties to bring the sales due to high level competition and lack of finance.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The company has proper and adequate systems of internal control, which is commensurate with its size and nature of operations. This provides a reasonable assurance with regards to assets protection from unauthorized use or losses, maintaining proper accounting control, monitoring operational efficiency, proper compliance with applicable laws and ensuring the reliability of financial and operational information. The company has an Audit Committee which reviews audit reports, audit plans, significant audit finding, and adequacy of internal control compliance with accounting standards and suggest improvements for strengthening them. The Company is committed to operational efficiency.

OPERATING PERFORMANCE

During the year under review, the management was unable to revive its export trading business due to lack of adequate resources, thereby there was no operating revenue. The income from non-operating sources dropped substantially from Rs. 681.54 lacs in previous year to Rs.6.90 lacs during the current financial year.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The growth of employee is intrinsically linked with the growth of any organisation and vice versa. No organisation can develop without taking its employees on the growth path and therefore, employee career development is a part of human resources mission.

In the Company, human resources function is a special one involving all long term and short term decision of the organisation. The Company offers attractive remuneration and conducive working atmosphere. The Company had peaceful industrial relation with employees and the company continues to focus on Human Resource Development to enhance the employee performance and promote knowledge integration.

AUDITOR'S REPORT

To
The Members of
Fortune International Ltd.

We have audited the attached Balance Sheet of M/s Fortune International Ltd. as at 31st March, 2012 and also the Profit & Loss Account for the year ended on that date, both annexed hereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement, based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

We Further report that :-

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examinations of those books.
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report are with the accounting standards referred to in Section 211 (3C) of Companies Act, 1956.
- e) In our opinion, according to the declaration given by the Directors and taken on record by the Board of Director, none of the Directors are disqualified as per clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet & Profit & Loss account read together with notes thereon and gives a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012
 - ii) in the case of the Profit & Loss Account of the profit of the company for the year ended on that date.

For L.N. Malik & Co.
Chartered Accountants

L.N. Malik
(Partner)

M.No - 10423

Firm Regn. No. 015992N

Dated :29.05.2012

Place : New Delhi

Annexure to the auditors' Report – March 31, 2012

(Refereed to in paragraph 3 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company physically verifies the fixed assets on a rotational basis and accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) As the company has not purchased/sold goods during the year nor there is any opening stock, requirement of reporting of physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- (iii) The Company has taken interest free loan from 7 parties and has granted interest bearing loan or advances to 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The closing balance in respect of total loan taken & given as on 31.3.2012 is Rs.4,43,60,805/- and Rs 17,85,000/- respectively.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of any parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58 A of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
- (ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, customs duty, excise duty, cess and other statutory dues have been regularly deposited by the company with the appropriate authorities in all cases during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of sales tax, Income-tax, Custom duty, Wealth-tax, Service Tax, Cess which have not been deposited on account of any dispute.

The following disputed statutory dues in respect of Income-tax demand have not been deposited and the case is pending before the following forum:-

S.No.	A.Y.	Demand	Forum where Demand is pending
1.	1998-99	2,37,635	Appeal pending with ITAT

*The above amount has been deposited in full during the F.Y 2008-09 in pursuance of notice issued by TRO.

- (x) The accumulated losses of the company have exceeded fifty per cent of its net worth as at 31st March 2012. The company has not incurred cash loss in the current year and as well as in the immediately preceding financial year.
- (xi) According to records of the company, the company has not borrowed from financial institutions or banks or issued debentures during the year. Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual fund/benefit fund/societies.
- (xiv) On the basis of our examination of the companies records we are of the opinion that the company is maintaining adequate records regarding transactions and contracts regarding its trading activities in shares, securities, debentures and other investment and timely entries have been made in these records. The shares, securities, debentures and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the act
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not obtained any term loan or applied any term loan during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company as at March 31, 2012, we report that no funds raised on short term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xix) The company did not have any debentures outstanding during the year.
- (xx) The Company has not raised any money through a public issue during the period covered by our audit report.
- (xxi) According to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For L.N. MALIK & CO.
CHARTERED ACCOUNTANTS**

(L.N. MALIK)
PARTNER.

Membership No. 10423.
Firm Regn. No. 015992N

Place: New Delhi
Dated: 29.05.2012

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2012**

Particulars	AS AT 31/03/2012 ₹	AS AT 31/03/2011 ₹
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/ Loss before tax as per profit & Loss Account	198,491	(40,164,390)
Net Prior Year Adjustments		
Fixed Assets written off (net)	-	46,273
Loss on Sale of vehicle	-	25,134
Depreciation	65,595	253,590
Balances Written Back	-	(2,184,264)
Bad Debts written off	-	104,347,865
Interest Income	(150,000)	(150,000)
Profit on Sale of Assets	-	(6,364,877)
Lease Rent	-	(2,199,500)
Misc Income	-	(350)
Interest and Finance Charges	-	1,143,099
Operating Profit before Working Capital Change	114,086	54,752,580
Adjusted for:	-	
Trade Receivables	713,350	(667,000)
Short term Loan & Advances	(272,198)	11,268,182
Trade Payables	-	1,663,257
Other Current Liabilities	27,460	(177,262)
Cash Generated from Operations	582,698	66,839,757
Taxes Paid/Written off	-	-
Net Cash Inflow from Operating Activities	582,698	66,839,757
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets	-	(294,081)
Sale of Fixed Assets	-	11,228,890
Sale of Investments	-	692,750
Interest Income	150,000	150,000
Lease Rent	-	2,199,500
Misc Income	-	350
Net Cash flow in Investing Activities	150,000	13,977,409
C CASH FLOW FROM FINANCING ACTIVITIES :		
Repayments of Long Term Borrowings	(703,915)	(80,672,950)
Interest and Finance Charges	-	(1,143,099)
Net Cash Outflow from Financing Activities	(703,915)	(81,816,049)
Net (Decrease) / Increase in Cash and Cash Equivalents	28,783	(998,883)
Opening Balance of Cash and Cash Equivalents	230,360	1,229,243
Closing Balance of Cash and Cash Equivalents	259,143	230,360

For **L.N. MALIK & CO.**
CHARTERED ACCOUNTANTS

Sd/-

(L. N. MALIIK)

(Partner)

Membership No. : 010423

Firm Reg. No.: 015992N

Place: New Delhi

Dated: 29.05.2012

For **FORTUNE INTERNATIONAL LTD.**

Sd/-

A.K. Kukreja

(G.M. FINANCE)

Sd/-

Rekha Shrivastava

(DIRECTOR)

Sd/-

Nivedan Bharadwaj

(DIRECTOR)

Notes Forming Part of the Profit & Loss Accounts for the year ending on 31st March, 2012

Note : 1 Share Capital

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1. AUTHORIZED CAPITAL 71,60,000 Equity Shares of Rs. 10/- each. 40,000 10 % Cumulative Preference Share of Rs. 10/- each.	71,600,000 400,000	71,600,000 400,000
	<u>72,000,000</u>	<u>72,000,000</u>
2 ISSUED , SUBSCRIBED & PAID UP CAPITAL 70,40,000 Equity Shares of Rs. 10/- each. Fully paid up.	70,400,000	70,400,000
Total	<u>70,400,000</u>	<u>70,400,000</u>

*Reconciliation of Numbers of Shares

Particulars	2011-12 No. of Shares	2010-11 No. of Shares
1. EQUITY SHARES Opening Balance at beginnine of the year	7,040,000	7,040,000
Add: Fresh Issue	-	-
Less: Buy Back	-	-
Closing Balance at the end of the year	<u>7,040,000</u>	<u>7,040,000</u>

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

Name of Shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Ruchika Shrivastava- Bharadwaj	3,726,868	52.94	3,726,868	52.94
2 R. K. Shrivastava (HUF)	1,141,996	16.22	1,141,996	16.22
3 Rekha Shrivastava	650,000	9.23	650,000	9.23

Note : 2 Reserve & Surplus

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1. PROFIT & LOSS ACCOUNT Opening Balance	(75,803,892)	(35,639,502)
Add:- Net Profit after Tax transferred from Statement of Profit & Loss A/c	198,491	(40,164,391)
Closing Balance	(75,605,401)	(75,803,892)
Total	<u>(75,605,401)</u>	<u>(75,803,892)</u>

Note : 3 Long Term Borrowings

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
UNSECURED		
1 Loans From Directors	7,527,805	4,181,720
2 Others	36,833,000	40,883,000
Total	<u>44,360,805</u>	<u>45,064,720</u>

Note : 4 Other Current Liabilities

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Advance From Customers	10,000,000	10,000,000
2 Audit Fee Payable	19,663	19,303
3 Director Remuneration Payable	141,935	21,935
4 Others	21,986	114,886
Total	<u>10,183,584</u>	<u>10,156,124</u>

Note : 5 Fixed Asset

Sr. No.	Particulars	Rate	Gross Block		Deduction during the year	As on 31.03.2012	Depreciation			Net Block		
			As on 01.04.2011	Addition during the year			Addition during the year	Deduction during the year	As on 31.03.2012	WDV as on 31.03.2012	WDV as on 31.03.2011	
I	Tangible Assets											
1	Electric Fitting	13.91%	30,588	-	-	30,588	29,976	85	-	30,061	527	612
2	Furnitures & Fixtures	18.10%	2,687,794	-	-	2,687,794	2,620,941	12,100	-	2,633,041	54,753	66,853
3	Office Equipment	18.10%	3,567,789	-	-	3,567,789	3,378,793	34,208	-	3,413,001	154,788	188,996
4	Air Conditioners	13.91%	1,509,905	-	-	1,509,905	1,402,454	14,946	-	1,417,400	92,505	107,451
5	Air Coolers	13.91%	77,109	-	-	77,109	74,901	307	-	75,208	1,901	2,208
6	Computer	40.00%	21,250	-	-	21,250	11,378	3,949	-	15,327	5,923	9,872
	Sub-Total (A)		7,894,435	-	-	7,894,435	7,518,443	-	-	7,584,038	-	375,992
II	Intangible Assets		-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)		-	-	-	-	-	-	-	-	-	-
III	Capital Work In Progress		-	-	-	-	-	-	-	-	-	-
	Sub-Total (C)		-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-
	Sub-Total (D)		-	-	-	-	-	-	-	-	-	-
	Total (A+B+C+D) Current Year Figure		7,894,435	-	-	7,894,435	7,518,443	65,595	-	7,584,038	310,397	375,992
	Previous Year Figure		23,626,548	294,081	16,026,194	7,894,435	18,355,628	253,590	11,090,775	7,518,443	375,992	5,270,920

Note : 6 Trade Receivables

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Outstanding for more than six months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	-
c) Doubtful	45,204,860	45,216,190
2 Others		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	446,067	702,020
c) Doubtful	-	-
Total	<u><u>45,650,927</u></u>	<u><u>45,918,210</u></u>

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

* Balance of Trade Receivables are subject to confirmation.

Note : 7 Cash & Cash Equivalent

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Cash-in-Hand		
Cash Balance	9,959	19,586
Sub Total (A)	<u><u>9,959</u></u>	<u><u>19,586</u></u>
2 Bank Balance		
Canara Bank	10,359	10,359
Central Bank of India - Chennai #	9,808	9,808
Central Bank of India - Kakinada #	5,345	5,345
E.E.F.C. Account	-	4,030
ICICI Bank Ltd	168,850	61,558
Indian Bank - Chennai #	6,373	6,373
Punjab National Bank ICD Tuglakabad #	1,923	1,923
Punjab & Sind Bank #	-	5,000
SBI Nava Sheva - Bombay #	9,765	9,765
State Bank of Bikaner & Jaipur	13,305	13,732
State Bank of Indore - Bhopal #	-	4,676
Syndicate Bank- Mumbai	23,456	23,456
Sub Total (B)	<u><u>249,184</u></u>	<u><u>156,025</u></u>
3 Cheques in Hand (C)	-	54,749
Total [A + B + C]	<u><u>259,143</u></u>	<u><u>230,360</u></u>

The balances are subject to confirmation/ reconciliation

Note : 8 Short Terms Loans and Advances

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Loans & Advances to related parties a) <u>Secured, Considered Good</u> :		
b) <u>Unsecured, Considered Good</u> : Advance to Associate Concerns	1,785,000	1,650,000
c) <u>Doubtful</u>		
2 Others Advance Recoverable in cash or in kind or for value to be considered good Advance Income Tax/Refund Due Prepaid Expenses- CDSL	1,283,886 49,635	1,642,390 -
Total	<u>3,118,521</u>	<u>3,292,390</u>

Note : 9 Other Income

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Miscellaneous Income	3,978	350
2 Interest Received	150,000	150,000
3 Interest on Income Tax Refund	38,663	-
4 Short & Recovery	2,215	-
5 Commission Received	495,630	
6 Income on Sale & Purchases of Investment	-	57,782,290
7 Profit on Sale of Building	-	6,364,877
8 Balance Written Back	-	2,184,264
9 Lease Rent	-	2,199,500
Total	<u>690,486</u>	<u>68,681,281</u>

Note : 10 Employees Benefits Expenses

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Establishment	-	483,191
2 House Rent Allowance	-	241,598
3 Others Allowance	-	35,738
4 Contribution to PF, EPF, ESI, Inspection & Admn. Charges	-	66,126
5 Staff Welfare	149	1,127
6 Conveyance Allowance	-	84,449
7 Leave Encashment	-	8,373
8 Gratuity	-	40,361
9 Directors' Remuneration	120,000	21,935
Total	<u>120,149</u>	<u>982,898</u>

Note : 11 Financial Expenses

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Bank Charges & Commission	10,665	14,065
2 Other Interest	-	1,129,034
Total	<u><u>10,665</u></u>	<u><u>1,143,099</u></u>

Note : 12 Depreciation & Amortised Cost

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Depreciation on Tangible Assets	65,595	253,590
Total	<u><u>65,595</u></u>	<u><u>253,590</u></u>

Note : 13 Other Expenses

Particulars	As at 31 March 2012 ₹	As at 31 March 2011 ₹
1 Printing & Stationery	1,772	67,676
2 Telephone Expenses	-	44,412
3 Postage & Telegram & Courier	30	3,105
4 Conveyance / Tour & Traveling Expenses	2,173	22,399
5 Auditors Remuneration	19,663	19,303
6 Electricity & Water Charges	-	159,290
7 Miscellaneous Expenses	20,927	6,050
8 A.G.M. Expenses	25,494	27,620
9 Repair & Maintenance	-	8,786
10 Filing Fees	680	4,062
11 Rate & Taxes (House Tax) G-4	-	65,450
12 Retainership Fee	-	270,000
13 RTA Charges - Share Transfer Charges	39,712	-
14 Professional Charges	70,121	38,800
15 Stamp Duty on Investment	-	158,185
16 STT Charges on Investment	-	830,989
17 Listing Fees	38,607	172,166
18 Advertisement & Publicity	40,339	123,519
19 Designing & Development Charges	5,000	-
20 Accounting Charges	4,500	-
21 Custodian Charges	22,060	-
22 Tds Demand A.Y. 2007-2008	4,508	-
23 Assets Written off	-	46,273
24 Loss on Sale of Vehicle	-	25,134
25 Claims Paid	-	25,000
Total	<u><u>295,586</u></u>	<u><u>2,118,219</u></u>

**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE PERIOD
ENDING ON 31st MARCH, 2012**

Note - 14 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES & PRACTICES RECEIVABLE

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

2. Contingent Liabilities

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

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

	CURRENT YEAR	PREVIOUS YEAR
5. <u>EXPENDITURE IN FOREIGN EXCHANGE</u>	Nil	Nil
6. <u>EARNING IN FOREIGN EXCHANGE</u>	Nil	Nil
7. <u>PAYMENT TO AUDITORS</u> Auditor' Remuneration	19,663	19,303
8. <u>PAYMENT TO DIRECTORS</u> Directors' Remuneration	1,20,000	21,935

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

1. List of Related Parties

- a) Directors and Key Managerial Person
 - 1. Mrs. Rekha Shrivastava
 - 2. Mr. Nivedan Bharadwaj
 - 3. Mr. Madanlal Jain
- b) Relatives of Directors
 - 1. Ruchika Shrivastava - Bharadwaj
 - 2. Anu Malhotra
 - 3. Pritika Shrivastava
 - 4. Meenu Shrivastava
 - 5. Radhika Shrivastava

FORTUNE INTERNATIONAL LIMITED

Regd. Off. : G4, C-Block, Community Centre, Naraina Vihar, New Delhi- 110028

ATTENDANCE SLIP

30th Annual General Meeting: 28th September, 2012

Regd.Folio No./DP or Client ID

Mr./Mrs./Miss.
(Shareholder's Name in BLOCK Letters)

I certify that I am a registered shareholder / proxy for the registered shareholders of the Company.
(Member's / proxy's name and address in Block Letters to be furnished below)

I hereby record my presence at the 30th Annual General Meeting of the Company to be held on Friday,
28th September, 2012 at 10.00 a.m.

If signed by Proxy, name should be
Written here in Block Letters

Member's/ Proxy's Signature

Please fill in this attendance slip and hand it over at the Entrance of the meeting hall.

FORTUNE INTERNATIONAL LIMITED

Regd. Off. : G4, C-Block, Community Centre, Naraina Vihar, New Delhi- 110028

PROXY FORM

30th Annual General Meeting: 28th September, 2012

Regd.Folio No./ DP or Client ID

No. of Shares Held.....

I / We of

being a member / members of Fortune International Limited hereby appoint

Mr/Mrs.....of.....

.....failing him /her Mr/Mrs.....

.....of

.....failing him/her as my / our proxy to attend and vote for me / us and on my / our behalf at the 30th Annual General Meeting of the Company to be held on Friday, 28th September, 2012 at 10.00 a.m. and at any adjournment thereof.

As witness my / our hand (s) this day of....., 2012

Signature

Affix
Revenue
stamp of
Re.1/-
only

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Annual General Meeting.

BOOK-POST

IF UNDERLIVERD, PLEASE RETURN TO :

FORTUNE INTERNATIONAL LIMITED

REGISTERED OFFICE :

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