

FORTUNE PAINTS PRIVATE LIMITED



technopaints

ANNUAL REPORT

2020-21

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FORTUNE GROUP

Delivering Quality Products and Value-Added Services to the Construction Industry

Founded in 2001 by Mr. Srinivasa Reddy Akuri, Fortune Group has been committed to providing the construction industry with the best quality products and value-added services. Our journey began with the provision of niche decorative paints and their application services to prominent corporate builders across India. Among our companies, Techno Paints (Fortune Paints Private Limited) has emerged as the Flagship Company of the Fortune Group. It has excelled in both sales volume and expertise in services, establishing itself as a trusted name in the industry. Building on this success, the Fortune Group expanded its business verticals and ventured into supplying uPVC profiles under the brand name FENETRE.

ABOUT TECHNO PAINTS

Techno Paints, a renowned paint manufacturing company, specializes in providing a diverse portfolio of products and services catering to various sectors including residential, commercial, industrial, and hospitality. With a strong commitment to customer satisfaction, top-notch paint quality, and environmental responsibility, the company has emerged as one of the most reliable and trusted brands in the Indian paint industry.

A leading paint manufacturing company known for its premium product line, regularly updated to meet customer needs. With an extensive range of over 3,000 paint shades available through our color banks, We ensures the prompt delivery of any desired color.

Over the past 20 years, we have excelled in providing top-quality paints and painting services to the business-to-business (B2B) segment. We have successfully completed over 800+ projects in Andhra Pradesh, Telangana, and other parts of the country.

At Techno Paints, we hold the firm belief that a beautifully painted wall possesses the remarkable ability to elevate the ambiance of any space. Whether it's the walls of your cherished home, your bustling office, or a dynamic commercial establishment, our adept and dedicated team of professionals is committed to actualizing your vision through our top-tier wall painting services. Let us breathe life into your space with a stroke of creativity and a palette of colors.

Our Vision -

Our vision is “To be the leading paint manufacturers and services company”

Our Mission -

Our mission is to bring satisfaction to our customers by supplying best quality paint products and continue to do it's best to maintain the highest standards of product quality and services while devoting due attention to environmental protection

Our Strengths -

- 20+ years of experience in manufacturing of Paints and Application services.
- 91+ ongoing projects spread across PAN India.
- 605+ Clients.
- 860+ projects have been successfully completed.
- 3000+ shades available, offering a wide range of options to choose.
- 5000+ skilled painters, enabling us to handle projects of various sizes.
- 73+ District business partners, amplifying our market coverage and distribution capabilities.
- 60+ customized products & special finishes.
- 2 manufacturing units that form the core of our production operations
- 1.4 lakhs Mt/Yr Plant capacity.

CHAIRMAN'S MESSAGE

I would like to thank you for your continued support and express my utmost gratitude for all the accomplishments so far, as we celebrate our 20 years of legacy in painting services marked by excellence. Over the decades, we have crafted a vibrant legacy and emerged as one of the leading paint companies in India. The diverse portfolio caters to various projects, from high-rise structures to Public Sector infrastructure buildings, showcasing versatility and commitment to quality. Techno Paints' dynamic journey reflects resilience, adaptability, and an enduring dedication to crafting extraordinary spaces.

Evolving into a comprehensive solution provider, Techno Paints offers variety of products to our clients that includes wall putty, wall care, rustic texture, fine texture, water-resistant putties, distemper, primers, emulsions of different quantities and features. We also offer solvent based paints. The Synergy Model, weathering challenges like COVID, establishes unique roles for effective execution and crisis management. Securing a prestigious project under "Mana Vooru-mana Badi" and "Mana Basti Mana Badi" from the Government of Telangana, endorses the two decades of our dedication, expertise, and sustainability. Other building materials like uPVC profiles and construction chemicals are offered across the country. With operations across India and expanding retail presence, the company expresses gratitude for continued support of its patronizes and stakeholders and looks forward to a collaborating and promising future.

AKURI SRINIVASA REDDY

CHAIRMAN & MD

Synopsis

Our approach to reporting

Fortune Paints Private Limited's Annual Report 2020-21 highlights its financial and non-financial performance. It provides a concise overview of our overall performance to create value for all stakeholders in the short, medium and long term, and highlights the future viability of the business. The Report narrates in detail how Techno Paints has progressed across all business verticals and how it is revving up to become more innovative and sustainable.

Frameworks, guidelines and standards

Company has taken into account the applicable requirements and principles of Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standard, Secretarial Standards issued by the Institute of Company Secretaries of India for the financial and statutory information.

Reporting scope and boundary

This Report outlines our business model, strategy, significant risks, opportunities, and challenges, as well as our overall performance, achievements, and outlook for the period under review. In addition to our financial performance, this Report details our environmental, social and governance (ESG) performance. Details are provided on consolidated segment level. The operating segment comprise of automotive segment and others.

Responsibility statement

Our Board acknowledges the accountability for the integrity and completeness of this Report and its contents. We have also ensured collective responsibility for the preparation and presentation of this Report.

Materiality

We apply the principle of materiality in assessing what information should be included in our Integrated Report. These issues are material to our stakeholders and our ability to create value. The material issues are reviewed by top management

Our capitals

We build and bring together advanced and market-leading capabilities as demonstrated through our financial, manufactured, intellectual, human, social and natural capitals, and direct their highly productive interplay through visionary leadership to create value for all our stakeholders.

Cautionary statements

Statements in the Integrated Report describing our objective, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets, in which we operate, in addition to changes in government regulations, tax laws and other statutes and incidental factors.

BOARD'S REPORT

To

The Members

Fortune Paints Private Limited

Your Directors have pleasure in presenting its Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2021.

FINANCIAL RESULTS:

(Amount in Rs.)

Particulars	2020-21	2019-20
Revenue from operations	34,01,25,875	29,67,25,713
Other Income	0	0
Total Income	34,01,25,875	29,67,25,713
Total Expenditure	31,38,70,248	27,33,74,300
Profit/Loss Before Tax	2,62,55,627	2,34,14,083
Current Tax	68,16,530	60,00,638
Deferred Tax	1,49,586	4,79,590
Profit(Loss) After Tax	1,92,89,511	1,69,33,856

DIVIDEND:

During the year, your Directors have decided not to recommend any dividend for the financial year 2020-21.

RESERVES:

During the financial under review no amount was transferred to General Reserve

DEPOSITS:

The Company has not accepted any deposits from public or from shareholders, however accepted unsecured loans from Directors and relatives.

MATERIAL CHANGES AND COMMITMENTS:

There are no such changes or commitments occurred, affecting the financial position of the Company between the end of the financial year and the date of this report.

CHANGE IN THE NATURE OF BUSINESS:

There are no such changes occurred in the nature of business during the financial year under review.

BOARD MEETINGS:

During the Financial Year 2020-21, the Company held Five (5) Board meetings as provided below.

Sl. No	Date of Meeting	Total No of Directors on the date of Meeting	No of directors attended	% of attendance
1	18.05.2020	2	2	100
2	22.08.2020	2	2	100
3	01.12.2020	2	2	100
4	25.01.2021	2	2	100
5	31.03.2021	2	2	100

DIRECTORS / KEY MANAGERIAL PERSONNEL:

During the year under review there is no change in composition of Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 134(3) (c) of the Companies Act, 2013 the Board of Directors makes the following statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all. Applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

At the Annual General Meeting held on December 31, 2020 the members approved the appointment of M/s Sreedar Mohan & Associates., Chartered Accountants, as Statutory Auditor to hold office till the conclusion of the Annual General Meeting of the Company to be held in financial year ended 2024-25.

MAINTENANCE OF COST RECORDS:

Pursuant to Section 148 of the Companies Act, 2013 maintenance of Cost records and Cost Audit is not applicable to the Company.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. CONSERVATION OF ENERGY:

Necessary measures were taken wherever possible, to decrease the consumption of Energy and conservation of energy during the year.

b. TECHNOLOGY ABSORPTION: There is no foreign technology involved.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

The Company has not received any significant/material orders from the statutory regulatory bodies/courts/tribunals which effect the operations/status of the Company.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organisation to maintain with the same standard of the control systems and helps it in managing any default on timely basis because of strong reporting mechanisms followed by the company.

ARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not entered into any transaction falling under the provisions of Section 186 of the Companies Act, 2013 and rules made there under as such relevant information is not applicable.

FINANCIAL PERFORMANCE / FINANCIAL POSITION OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES:

There are no subsidiary / associate / joint venture companies associated with the Company as such the information required is not applicable.

RISK MANAGEMENT POLICY:

The Risk Management frame work of your company which ensures regular review by management to proactively identify the emerging risks, to do risk evaluation and risk prioritization along with development of risk mitigation plans and action taken. The various risks, including the risks associated with the economy, regulation, competition, foreign exchange, interest rate etc., are documented, monitored and managed efficiently.

RELATED PARTY TRANSACTIONS:

The Company has not entered into any related party transactions falling under the provisions of Section 188 of the Companies Act, 2013.

CHANGES IN SHARE CAPITAL:

During the year under review the company has undertaken the following transaction:

Increase in share capital	Issue of Shares	Bonus Issue	Sweat Equity	ESOP's
Nil	Nil	Nil	Nil	Nil

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Your Company has always believed in providing an environment that is free from discrimination and harassment including sexual harassment for every individual working in the premises during the year, no complaints were received pertaining to sexual harassment.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and consideration extended by the Bankers, Shareholders and employees and look forward for their continued support and cooperation.

**By Order of the Board
FOR FORTUNE PAINTS PRIVATE LIMITED**

Sd/-

**Srinivasa Reddy Akuri
Director
DIN: 1746988**

Sd/-

**Akuri Sandhya
Director
DIN: 1982867**

**Place: Hyderabad
Date: 01.11.2021**

SHAREHOLDING OF PROMOTERS & DIRECTORS

<u>S. No</u>	<u>Shareholder's Name</u>	<u>No Of Shares</u>	<u>% Shareholding</u>
1	A Srinivasa Reddy - Director	5,52,000	60
2	A Sandhya - Director	92,000	10
3	K Siva Reddy	92,000	10
4	A Kasi Reddy	1,38,000	15
5	M Venkat Reddy	46,000	5
	Total	9,20,000	100

INDEBTNESS

	Secured Loans Excl. Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the FY				
1. Principle Amount	4,98,97,286	32,40,000	-	5,31,37,286
2. Interest Due but Not paid	-	-	-	-
3. Interest accrues but not due	-	-	-	-
Total	4,98,97,286	32,40,000	-	5,31,37,286
Change in indebtedness during the FY				
• Addition	-	1,49,41,867	-	1,49,41,867
• Reduction	2,78,92,979	-	-	2,78,92,979
Indebtedness at the end of the FY				
1. Principle Amount	2,20,04,307	1,81,81,867	-	401,86,174
2. Interest Due but Not paid	-	-	-	-
3. Interest accrues but not due	-	-	-	-
Total	2,20,04,307	1,81,81,867	-	401,86,174

REMUNERATION TO DIRECTORS

S. No.	Particulars of remuneration	Srinivasa Reddy Akuri	Sandhya Akuri
1.	Gross Salary <ul style="list-style-type: none"> • Salary as per provisions contained in section 17(1) of Income-tax Act,1961 • Value of Perquisites u/s 17(2) of Income-tax Act,1961 • Profits in lieu of salary u/s 17(3) of Income-tax Act,1961 	24,00,000	24,00,000
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	Other if any	-	-
	Total Salary PA	24,00,000	24,00,000
	Ceiling as per ACT	N.A.	N.A.

Fortune Paints Private Limited
Balance Sheet as at March 31, 2021
(All the amounts are in Indian Rupees, except otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I EQUITY AND LIABILITIES			
1. Shareholders Funds			
Share Capital	3	92,00,000	92,00,000
Reserves and Surplus	4	7,56,74,072	5,63,84,561
		8,48,74,072	6,55,84,561
2. Non Current Liabilities			
Long Term Borrowings	5	3,66,95,723	5,04,75,917
Deferred Tax Liabilities	6	11,05,120	9,55,535
		3,78,00,843	5,14,31,452
3. Current Liabilities			
Short Term Borrowings	7	3,99,25,476	2,99,19,603
Trade Payables	8	3,60,04,084	4,28,52,759
Other Current Liabilities	9	6,15,81,796	4,06,54,688
Short Term Provisions	10	68,16,530	60,00,638
		14,43,27,886	11,94,27,688
		26,70,02,801	23,64,43,701
Total Equity and Liabilities			
II. Assets			
1. Non Current Assets			
Property, Plant, Equipment & Intangible Assets			
Property Plant & Equipment	11	5,76,47,022	5,78,74,923
Non Current Investments	12	40,00,000	-
Other Non Current Assets	13	17,93,800	17,59,800
		6,34,40,822	5,96,34,723
2. Current Assets			
Inventories	14	2,14,76,383	2,16,13,825
Trade Receivables	15	9,62,40,251	7,06,28,233
Cash and Cash Equivalents	16	10,18,909	6,18,464
Short Term Loans & Advances	17	2,95,22,327	1,14,93,263
Other Current Assets	18	5,53,04,109	7,24,55,191
		20,35,61,979	17,68,08,976
		26,70,02,801	23,64,43,699
Total Assets			
Significant Accounting Policies and Noters to Accounts	1 to 27		

As per Our Report of even Date
For Sreedar Mohan & Associates
Chartered Accountants(Firm Regd. No. 012722S)

For and on behalf of the Board of Directors
Fortune Paints Private Limited

Sd/-
VV Mohan Reddy
Partner
M.No. 217578

Sd/-
Srinivasa Reddy Akuri
Director
DIN: 1746988

Sd/-
Akuri Sandhya
Director
DIN: 1982867

Place: Hyderabad
Date: 01.11.2021

Fortune Paints Private Limited
Balance Sheet as at March 31, 2022

(All the amounts are in Indian Rupees, except otherwise stated)

S.No	Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
I	Incomes			
	Revenue from Operations	19	34,01,25,875	29,67,25,713
	Other Income	20	-	62,670
	Total Income (i)		34,01,25,875	29,67,88,383
II	Expenses			
	Cost of Materials Consumed	21	10,92,10,570	8,36,65,633
	Employee Benefits Expenses	22	2,01,40,351	2,00,76,935
	Finance Costs	23	52,35,318	35,44,908
	Depreciation And Amortisaion Expenses	11	34,90,989	18,72,855
	Other Expenses	24	17,57,93,020	16,42,13,969
	Total Income (ii)		31,38,70,248	27,33,74,300
III	Profit / (Loss) Before Tax		2,62,55,627	2,34,14,083
IV	Tax Expenses			
	Current Tax		68,16,530	60,00,638
	Deferred Tax		1,49,586	4,79,590
			69,66,116	64,80,228
V	Profit / (Loss) After Tax		1,92,89,511	1,69,33,855
VI	Earnings Per Share			
	Basic & Diluted Number of Shares		20.97 9,20,000	18.41 9,20,000
Significant Accounting Policies and Noters to Accounts		1 to 27		

As per Our Report of even Date
For Sreedar Mohan & Associates
Chartered Accountants(Firm Regd. No. 012722S)

For and on behalf of the Board of Directors
Fortune Paints Private Limited

Sd/-
VV Mohan Reddy
Partner
M.No. 217578

Sd/-
Srinivasa Reddy Akuri
Director
DIN: 1746988

Sd/-
Akuri Sandhya
Director
DIN: 1982867

Place: Hyderabad
Date: 01.11.2021

Fortune Paints Private Limited
Balance Sheet as at March 31, 2021

(All the amounts are in Indian Rupees, except otherwise stated)

Particulars	Notes	Year ended 31.03.2021	Year ended 31.03.2020
Cash Flow from Operation Activities			
Profit before Taxation		2,62,55,627	2,34,14,083
Non-Cash adjustment to reconcile Profit before Tax to Net Cash Flows:			
Depreciation & Amortisation		34,90,989	18,72,855
Finance Costs		52,35,318	35,44,908
Operation Profit before Working Capital Changes		3,49,81,934	2,88,31,846
Movements in Working Capital:			
(Increase)/Decrease in Other Current Assests		1,71,51,082	(47,94,503)
(Increase)/Decrease in Trade Receivables		(2,56,12,018)	(4,80,92,383)
(Increase)/Decrease in Inventories		1,37,442	(1,56,99,608)
(Increase)/Decrease in other Non-Current Assets		(34,000)	-
(Increase)/Decrease in Short Term Provisions		8,15,892	(6,02,501)
(Increase)/Decrease in Short Term Borrowings		1,00,05,873	5,92,66,303
(Increase)/Decrease in Trade Payables		(68,48,675)	2,37,22,617
(Increase)/Decrease in Other Current Liabilities		2,09,27,108	1,98,21,837
Cash From / (Used in) Operations		1,65,42,704	3,36,21,756
Direct Taxes paid		(68,16,530)	(60,00,638)
Net Cash Flow generated From / (Used in) Operation Activities		4,47,08,108	5,64,52,965
Cash Flows from Investing Activities			
Purchase of Fixed Assets		(32,63,088)	(4,08,06,190)
Non Current Investments purchased		(40,00,000)	1206945
Short Term Loans and Advances Given		(1,80,29,064)	-
Long Term Advance given		-	(70,66,197)
Net Cash Flow from / (Used in) Investing Activities		2,52,92,152	4,66,65,442
Cash Flows from Financing Activities			
Increase / (Decrease) in Short Term Borrowings		-	-
Increase / (Decrease) in Long Term Borrowings		(1,37,80,193)	(93,56,253)
Finance Cost		(52,35,318)	(35,44,908)
Net Cash Flow from / (Used in) Financing Activities		(1,90,15,511)	(1,29,01,161)
Net Increase in Cash and Cash Equivalents		4,00,446	(31,13,639)
Cash and Cash Equivalents at the beginning of the Year		6,18,464	37,32,103
Cash and Cash Equivalents at the end of the Year		10,18,910	6,18,464
Components of Cash and Cash Equivalents			
Cash on hand		3,61,013	1,33,585
With bands on Current Accounts		6,57,896	4,84,879
Total Cash and Cash Equivalents		10,18,909	6,18,464

As per Our Report of even Date
For Sreedar Mohan & Associates
Chartered Accountants(Firm Regd. No. 012722S)

For and on behalf of the Board of Directors
Fortune Paints Private Limited

Sd/-
VV Mohan Reddy
Partner
M.No. 217578

Sd/-
Srinivasa Reddy Akuri
Director
DIN: 1746988

Sd/-
Akuri Sandhya
Director
DIN: 1982867

Place: Hyderabad
Date: 01.11.2021





technopaints

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