



# Fortune Financial Services (India) Limited

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Website : [www.fortune.co.in](http://www.fortune.co.in)  
CIN No. : L65910MH1991PLC062067

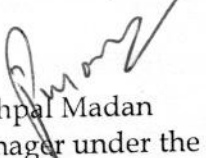
REGD. OFFICE : 2103, Naman Midtown,  
A-Wing, Senapati Bapat Marg,  
Elphinstone Road (West), Mumbai - 400 013.  
Email: [admin@ffsil.com](mailto:admin@ffsil.com)

## FORM A

(Pursuant to Clause 31(a) of the Listing Agreement with the Stock Exchange)

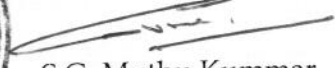
1.	Name of the company	Fortune Financial Services (India) Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For Fortune Financial Services  
(India) Limited

  
Yashpal Madan  
Manager under the  
Companies Act, 2013




For Fortune Financial Services  
(India) Limited

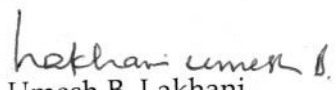
  
S.G. Muthu Kummar  
Chief Financial Officer



For Fortune Financial Services  
(India) Limited

  
Pankaj Bhuta  
Chairman of the Audit Committee

For S. H. Bathiya & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number:  
101046W / W100063

  
Umesh B. Lakhani  
Partner  
Membership No. : 044981



Date : 12<sup>th</sup> May, 2015

*with tomorrow's leaders.....*



**24<sup>th</sup>  
ANNUAL  
REPORT  
2014-2015**



**FORTUNE FINANCIAL SERVICES  
(INDIA) LIMITED**

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### **Borad of Directors**

- |   |  |          |
|---|--|----------|
| 1 | Mr. Chintan V. Valia                         | Director |
| 2 | Mr. Pankaj R. Bhuta                          | Director |
| 3 | Mr. Nishit M. Dhurva                         | Director |
| 4 | Mr. Khyati C. Valia ( w.e.f. 25 / 03 / 2015) | Director |
| 5 | Mr. Manoj G. Patel ( upto 31 / 03 / 2015)    | Director |



**Company Secretary**

Mr. Haroon Mansuri

**Statutory Auditors**

M/s. S. H. Bathiya & Associates LLP.  
Chartered Accountants

**Bankers**

Axis Bank Ltd.  
HDFC Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Union Bank of India  
Vijaya Bank  
Yes Bank Ltd.

**Registrar & Share Transfer Agent**

Purva Sharegistry (India) Pvt. Ltd.  
Unit No. 9, Ground Floor  
Shivshakti Industrial Estate  
7-B Sitaram Mills Compound  
J R Boricha Marg, Lower Parel  
Mumbai - 400 011

**Registered Office**

Naman Midtown, "A" Wing Unit No. 2103  
21st Floor, Senapati Bapat Marg  
Elphinstone Road, Mumbai - 400 013  
CIN : L65910MH1991PLC062067  
Email : cosecretary@ffsil.com  
Website : www.fortune.co.in



## DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Twenty Fourth Annual Report and Audited Accounts for the year ended 31st March, 2015.

### Financial Results

(Rs. in lakhs)

	2014-2015	2013-2014	2014-2015	2013-2014
	Stand-alone		Consolidated	
<b>Total Income</b>	<b>518.82</b>	828.65	<b>15,918.24</b>	6,101.48
Profit / (Loss) before depreciation and tax	<b>16.76</b>	(1.48)	<b>1,292.24</b>	288.97
Depreciation	<b>6.73</b>	2.99	<b>910.64</b>	305.94
Profit/(Loss) before tax	<b>10.03</b>	(4.47)	<b>381.50</b>	(16.97)
Provision for tax				
- Current tax	--	--	<b>261.50</b>	34.80
- Current tax relating to prior years (Net)	<b>0.75</b>	0.13	<b>(9.10)</b>	1.80
- Deferred tax	<b>7.56</b>	19.46	<b>(71.25)</b>	70.64
Profit/(Loss) after tax but before minority interest	<b>1.72</b>	(24.06)	<b>200.35</b>	(124.21)
Minority Interest	---	---	<b>52.08</b>	---
Profit / (loss) for the year	<b>1.72</b>	(24.06)	<b>148.27</b>	(124.21)
Add: Balance as per last financial statements	<b>2,188.17</b>	2,212.23	<b>1,977.58</b>	2,122.06
Profit available for appropriations	<b>2,189.89</b>	2,188.17	<b>2,125.85</b>	1,997.85
Transfer to statutory reserve	--	---	<b>39.33</b>	20.27
Balance carried forward to balance sheet	<b>2,189.89</b>	2,188.17	<b>2,086.52</b>	1,977.58
Weighted average number of equity shares				
- Basic	<b>2,83,45,990</b>	1,28,79,290	<b>2,83,45,990</b>	1,28,79,290
- Diluted	<b>2,79,22,245</b>	1,30,32,715	<b>2,79,22,245</b>	1,30,32,715
Nominal value per share (in rupees)	<b>10.00</b>	10.00	<b>10.00</b>	10.00
Basic and diluted earnings per share				
- Basic (in rupees)	<b>0.01</b>	(0.19)	<b>0.53</b>	(0.96)
- Diluted (in rupees)	<b>0.01</b>	(0.18)	<b>0.53</b>	(0.95)

### The state of Company's affairs

#### Standalone

The total income during the year 2014-15 stood at Rs. 518.82 lakhs as against Rs. 828.65 lakhs during the previous year, showing a decrease of 37 % compared to the previous year. The Company has earned a profit before tax Rs. 10.03 lakhs as compared to a loss of Rs. 4.47 lakhs in the previous year. The profit after tax stood at Rs. 1.72 lakhs as against a loss of Rs. 24.06 lakhs in the previous year.

#### Consolidated

The consolidated income during the year 2014-15 stood at Rs.15,918.24 lakhs as against Rs. 6,101.48 lakhs during the previous year. The consolidated income has been increased substantially as compared to the previous year. During the year under review the Company has on consolidated basis earned a profit of Rs.148.27 lakhs after tax as against a loss of Rs 124.21 lakhs in the previous year.

#### Consolidated Financial Statements

The Board of Directors of your Company at its meeting held on 12th May, 2015 approved the consolidated financial statements for the financial year 2014-15 in accordance with the Accounting Standard (AS-21) and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the listing agreement, which includes financial information of all its subsidiaries.

#### Dividend

In view of the marginal profit earned by the Company, the Board of Directors do not recommend any dividend for the financial year 2014-15.

#### Transfer to General Reserves

The Board of Directors do not propose to transfer any amount to General Reserve for the financial year 2014-2015.



### **Fixed Deposits**

The Company has not accepted any deposit from the public during the year under review, within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

### **Share Capital**

During the year under review, the Company has not issued any equity shares with differential rights or sweat equity shares or stock options and has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees

### **Investment for acquisition of a Company**

During the year under review, the Company has acquired 47,68,022 equity shares of Rs. 10/- each fully paid up of Inga Capital Private Limited representing 68.19% of the paid up capital of the investee Company, whereby it became a subsidiary of the Company effective from 26th February, 2015. Inga Capital Private Limited is engaged in the business of Investment Banking and is a Category I Merchant Banker registered with SEBI.

### **Accounts of subsidiary companies**

In terms of proviso to section 136 of the Companies Act, 2013 the Company has not attached the accounts of its subsidiaries with the accounts of the Company. However, the audited annual accounts of the subsidiary companies will be made available for inspection by the members of the holding and subsidiary companies at the registered office of the Company and will also be uploaded on the website of the Company. The audited annual accounts of the subsidiary companies will be made available to members of the companies and its subsidiary Company, seeking such information at any point of time.

### **Details of Subsidiaries and step down subsidiaries**

Statement containing salient features of the financial statements of subsidiary companies in form AOC 1 is attached and marked as **Annexure I**.

The details of subsidiaries and step down subsidiaries are provided on Form MGT 9 attached to this report and marked as Annexure II

**Material changes and commitments affecting financial statements between financial year end and date of report** - Not applicable

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future** - Not applicable

### **Adequacy of internal financial controls with reference to the Financial Statements.**

The Company has in place adequate systems of internal control that are commensurate with its size and nature of the business and documented procedures covering all financial and operating functions. The Company being in service industry, it has in place clear processes and well-defined roles and responsibilities for its staff at various levels. The Management has a defined reporting system, which facilitates monitoring and adherence to the process and systems in place.

### **Number of meetings of the Board**

During the year under review five meetings of the Board of Directors were held on 28th May, 2014, 11th August, 2014, 18th August, 2014, 28th October, 2014 and 29th January, 2015.

The details of the meetings held and the attendance thereto are given in the Corporate Governance Report of the Company for the financial year 2014-15, the same forms part of the annual report of the Company.

In addition to the above a separate meeting of the Independent Directors was held on 16th March, 2015

### **Directors**

During the year under review, Mr. Nimish C. Shah has resigned as a Managing Director and from the Board of the Company with effect from 10th April, 2014.

Mr. Manoj Patel resigned as a Director of the Company with effect from 31st March, 2015,

The Board of Directors wishes to take on record the valuable contributions given by the Directors during their tenure as Directors of the Company.

Mr. Chintan Valia, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Mrs. Khyati Valia has been appointed as an Additional Director of the Company effective from 25th March, 2015. Mrs. Khyati Valia holds office up to the date of this annual general meeting. The Company has received requisite deposit from a member of the Company proposing the candidature of Mrs. Khyati Valia as a Director of the Company

In terms of the applicable provisions of the Companies Act, 2013 which have been made effective from 1st April, 2014 shareholders' approval is obtained in the last Annual General meeting held on 22nd September, 2014 for appointment of Mr. Pankaj Bhuta and Mr. Nishit Dhruva as Independent Directors of the Company.

Brief profiles of the Directors to be appointed/re-appointed in the ensuing annual general meeting of the members of the Company have been provided as an annexure to the notice.

### **A statement on declaration given by independent directors**

The Independent Director of the Company has submitted the declaration of independence, as required under section 149 (7) of the Companies Act, 2013 confirming that they all meet the criteria of independence as required in sub section 6 of section 149 of the Companies Act, 2013.



### Committees

The Company has five committees of the Board of Directors. These committees are – Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Internal Finance Committee.

The terms of reference, composition and the details of the meetings held during the year under review are provided in corporate governance report.

### Corporate Governance

A report on the corporate governance along with a certificate from the auditors of the Company regarding the compliance of conditions of the corporate governance as stipulated under Clause 49 of the listing agreement is included and forms part of this annual report.

All Board members and senior management personnel of the Company have affirmed compliance with code of conduct for the year 2014-2015. A declaration to this effect certified by the Director of the Company is also attached in the annual report.

The Director and the Chief Financial Officer (CFO) of the Company have certified to the Board with regard to the financial statements and other matters as required under clause 49 of the listing agreement and the said certificate is attached in the annual report.

### Management Discussion and Analysis

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this annual report.

### Corporate Social Responsibility

The provisions relating to the Corporate Social Responsibility are not applicable to the Company.

### Extract of the Annual Return

Extract of the Annual Return as required under section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT 9 is annexed and marked as **Annexure “ II ”** and forms part of the annual report.

### Statutory Auditors

At the annual general meeting held on 22nd September, 2014, M/s S. H. Bathiya & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for the term of five years to hold the office up to the conclusion of 28th annual general meeting to be held in the calendar year 2019. As required under first proviso of section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every annual general meeting of the members of the Company. Accordingly, appointment of M/s S. H. Bathiya & Associates LLP Chartered Accountants as statutory auditors of the Company is placed for ratification by the members of the Company. The Company has received a certificate from the auditors confirming that if they are appointed, their appointment will be in accordance with section 141 of the Companies Act, 2013.

### Auditors' Report

Your Directors refer to the observations made by the Auditors in their report and wish to state that the notes forming part of accounts are self explanatory and hence do not require any further comments.

### Explanation on observations by auditors & secretary

There are no qualifications and/or adverse remarks in the Auditors Report and the Secretarial Audit Report.

### Secretarial Audit Report

As required under section 204 of the Companies Act, 2013, a Secretarial Audit Report dated 2nd May, 2015 issued by Dinesh Kumar Deora, a practicing Company Secretary is attached herewith and marked as **Annexure III**.

### Company's policy on directors appointment, remuneration etc. section 178 (3) and disclosure of details as provided in Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Remarks
1	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Not applicable – as the Company has no executive Director on the Board.
2	The percentage increase in remuneration of each director, CFO, CEO, CS or manager if any, in the financial year	Directors – Not applicable CFO - Rs. 11,03,477/- CEO – Not applicable CS - 8%
3	The percentage increase in the median remuneration of the employees of the Company for the financial year	10%
4	The number of permanent employees on the rolls of the Company	8 (eight)
5	The explanation on the relationship between average increase in remuneration and Company performance	During the year the Company has fared well as compared to the previous year
6	Comparison of remuneration of the KMP against the performance of the Company	Remuneration to KMP Rs. 22,59,018/- Performance of the Company for the year 2014-2015 Rs. 1.72 lakhs





7	Variations in the market capitalization of the Company, price earnings ratio as at the date of closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous year	Market capitalization BSE	
		as on 31/03/2015	(Rs in lakhs) 67,576.84
		as on 31/03/2014	(Rs in lakhs) 9,530.67
		Price earning ratio	
		as on 31/03/2015	449.81
		as on 31/03/2014	7400.00
		Market quotation of the Company's shares	
	as on 31/03/2015	Rs. 238.40	
	as on 31/03/2014	Rs. 74.00	
8	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Company has not paid any remuneration to any Directors of the Company.	
9	Comparison of the each of the remuneration of the KMP as against the performance of the Company	Name of the KMP, Designation & Amount of Remuneration paid	Performance of the Company (Rs. in lakhs)
		Mr. Yashpal Madan Manager Rs. 3,86,460/- (01/01/2015 - 31/03/2015)	1.72
		Mr. Muthukumar Ganesan CFO Rs. 11,03,477/-	
		Mr. Haroon Mansuri Company Secretary Rs. 7,69,081/-	
10	The key parameters for any variable component of the remuneration availed by the directors	The Company has not paid any variable component to any Director and/or KMPs.	
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year and	Not Applicable	
12	Affirmation that the remuneration is as per the remuneration policy of the Company	The Remuneration paid to the KMPs is as per remuneration policy of the Company.	

**Statement of particulars of appointment and remuneration of managerial personnel.**

1	Name	Mr. Nimish C. Shah	Mr. Yashpal Madan
2	Designation	Managing Director	Manager under the Companies Act
3	Remuneration received	Rs. 27,67,440/- (01/04/2014 - 10/04/2014) ( Include Rs. 26,54,167/- towards leave encachment)	Rs. 3,86,450/- (01/01/2015 - 31/03/2015)
4	Nature of employment, whether contractual or otherwise	Contractual	Contractual
5	Qualifications and experience of the employee	MBA (USA)	B. Com., ACS
6	Date of commencement of employment	01/07/2008	04/02/2014
7	The age of employee	52 years	47 years
8	Last employment held by such employee before joining the Company	Intime Equities Limited	self employed
9	The percentage of equity shares held by the employee in the Company within meaning clause (iii) of sub rule 2 above as on 31st March, 2015	0.53	Nil
10	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	No	No



### Particulars of loans, guarantees and investments

#### Guarantees given during the year :

Date of Transactions	Name of the person/entity to whom guarantee is made	Amount of transaction (Rs. in lakhs)	Period for which the guarantee is given	Date of Board resolution
02/05/2014	Axis Bank Limited	500.00	One year	04/02/2014
11/08/2014	HDFC Bank Limited	5,000.00	One year	11/08/2014
20/10/2014	Axis Bank Limited	1,500.00	One year	28/10/2014
15/09/2014	Kotak Mahindra Bank Limited	15,750.00	One year	18/08/2014
29/01/2015	Yes Bank Limited	13,000.00	One year	29/01/2015

#### Investments made during the year :

Date of Transactions	Name of the Company	Nature of Investments	Quantity (Nos.)	Amount (Rs. in lakhs)
06/06/2014	Fortune Credit Capital Limited	Equity shares	70,00,000	2,100.00
10/07/2014	Fortune Integrated Assets Finance Limited	Premium on equity shares earlier issued	---	2,475.00
19/08/2014	Rajesh Estates & Nirman Private Limited	Secured Non- Convertible Debentures	60	3,000.00
27/08/2014	Antique Stock Broking Limited	Equity shares	83,33,334	2,500.00
29/09/2014	Fortune Integrated Assets Finance Limited	Equity shares	15,00,000	1,387.50
26/02/2015	Inga Capital Private Limited	Equity shares	46,84,512	673.59
05/03/2015	Inga Capital Private Limited	Equity shares	83,510	12.04
05/03/2015	Inga Capital Private Limited	Optionally Convertible Debentures	5,00,000	50.00

#### Particulars of contracts or arrangements with related parties

The Company has entered in to transactions with related parties during the financial year 2014-2015. All such transactions are on arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. Related Party Transactions with the Directors and Key Managerial Personnel have been entered in the normal course of business and that also to the extent of payment of remuneration to the executive directors and KMPs. The disclosure in form AOC – 2 is not required to be given. All related party transactions are placed before the Audit Committee and Board meetings on quarterly basis for review and approval.

#### Conservation of Energy, Technology Absorption

The information required under section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 2014 with respect to the matters specified therein are not applicable to your company.

#### Foreign Exchange earnings and outgo - Nil

#### Transfer of unclaimed dividend to the Investor Education & Protection Fund (IEPF)

As required under section 125 of the Companies Act, 1956 the Company has transferred Rs. 1,71,169/- to the Investor Education and Protection Fund (IEPF) during the year under review towards unclaimed dividend.

#### Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 to the best of their knowledge and belief confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied 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 and loss of the Company for that period;
- the Directors had proper and sufficient care has been taken 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; and
- the Directors had prepared annual accounts on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 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.



**Acknowledgement**

Your Directors are pleased to place on record their deep appreciation towards the sincere services and co-operation extended by employees of the organization at all levels. They also wish to place on record their gratitude for the confidence placed in them by the banks & financial institutions they are associated with. Further, your Directors wish to thank the various regulatory authorities, business associates and clients for their valued co-operation.

**On behalf of the Board**

**Chintan V. Valia**  
Director  
(DIN:05333936)

**Khyati C. Valia**  
Director  
(DIN:03445571)

**Mumbai, 12th May, 2015**

**Fortune Financial Services (India) Limited**

**Registered Office:**

Naman Midtown "A" Wing  
21st Floor, Unit No. 2103, Senapati Bapat Marg  
Elphinstone Road, Mumbai 400 013  
CIN: L65910MH1991PLC062067  
Email: cosecretary@ffsil.com  
Website: www.fortune.co.in



## Form AOC 1

## Performance and financial position of each of subsidiaries

(Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries as on 31st March, 2015.

## Part "A" : Subsidiaries

Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name of the subsidiary	Intime Equities Limited	Intime Multi Commodity Company Limited	Fortune Credit Capital Limited	ITI Investment Advisors Limited	Fortune Integrated Home Finance Limited	Fortune Integrated Assets Finance Limited	Antique Stock Broking Limited	Inga Capital Private Limited
Reporting period of subsidiary	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015
<b>(Rs. in lakhs)</b>								
Share capital	1,805.00	300.00	3,460.00	60.00	25.00	600.00	3,500.00	704.18
Reserves & Surplus	1,102.27	131.12	4246.36	16.20	(1.56)	5,064.43	(277.83)	576.20
Total Assets	13,186.81	384.54	10,571.83	76.98	25.13	41,653.84	5,304.98	2,221.12
Total Liabilities	13,186.81	384.54	10,571.83	76.98	25.13	41,653.84	5,304.98	2,221.12
Investments	191.10	---	108.44	---	---	---	500.00	553.18

## Part "B" : Associates &amp; Joint Ventures : Not applicable



**Form No. MGT – 9**  
**EXTRACT OF THE ANNUAL RETURN**

as on the financial year ended on **31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

i)	CIN	L65910MH1991PLC062067
ii)	Registration Date	14/06/1991
iii)	Name of the Company	Fortune Financial Services (India) Limited
iv)	Category/sub Category of the Company	Public Limited Company
v)	Address of the Registered Office and contact details	Naman Midtown, "A" Wing, 21st Floor Unit No. 2103, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013 Tel : 4027 3600 Fax : 4027 3700 E mail : cosecretary@ffsil.com Website : www.fortune.co.in
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of the Registrar and Transfer Agents, if any	Purva Sharegistry (India) Private Limited Shivshakti Industrial Estate, Unit No.9 7/B, Sitaram Mill Compound, J.R. Boricha Marg Lower Parel, Mumbai – 400 011. Telephone : +91-22-2301 6761 / 8261 Fax No. +91-22-2301 2517 e-mail : busicomp@vsnl.com busicomp@gmail.com Web site : www.purvashare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr. No.	Name and Description of main products/services	NIC Code of the products/services	% to the total turnover of the Company
1	Gain on sale of investments	65	53.22
2	Advisory/Consultancy	67	37.51

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	CIN	Holding/ Subsidiary/ Associate	No. of shares held	Applicable section
1.	Intime Equities Limited	U74120MH1994PLC077946	Subsidiary - Equity	1,66,50,000	2 (87) (ii)
			Preference	14,00,000	
2.	Intime Multi Commodity Company Limited	U67190MH2005PLC158409	Subsidiary	30,00,000	2 (87) (ii)
3.	Fortune Credit Capital Limited	U67190MH2007PLC175180	Subsidiary	3,46,00,000	2 (87) (ii)
4.	ITI Investment Advisors Limited	U67200MH2008PLC177677	Subsidiary	6,00,000	2 (87) (ii)
5.	Fortune Integrated Home Finance Limited	U65923MH2012PLC234979	Subsidiary	2,50,000	2 (87) (ii)
6.	Fortune Integrated Assets Finance Limited	U65923MH2012PLC235450	Subsidiary	45,00,000	2 (87) (ii)
7.	Antique Stock Broking Limited	U67120MH1994PLC079444	Subsidiary	3,50,00,000	2 (87) (ii)
8.	Inga Capital Private Limited	U74140MH1999PTC122493	Subsidiary	47,68,022	2 (87) (ii)
9.	Neue Allianz Corporate Services Private Limited	U75123MH2006PTC161104	Step down Subsidiary	Nil	2 (87) (ii)
10.	ITI Financial Services Limited	U67120MH2001PLC256309	Step down Subsidiary	Nil	2 (87) (ii)
11.	ITI Investor Services Limited	U67120MH2004PLC256310	Step down Subsidiary	Nil	2 (87) (ii)


**IV SHAREHOLDING PATTERN (Equity Share Capital break up as percentage of total equity)**
**Category wise shareholding as on 31st March, 2015**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
<b>A. Promoter's shareholding</b>									
<b>(1) Indian</b>	14,02,429	---	14,02,429	10.89	---	---	---	---	(10.89)
a) Individual/ HUF	---	---	---	---	---	---	---	---	---
b) Central/State Govt	---	---	---	---	---	---	---	---	---
c) Bodies Corporate	1,00,000	---	1,00,000	0.78	2,02,64,844	---	2,02,64,844	71.49	70.71
d) Banks / Financial Institutions	---	---	---	---	---	---	---	---	---
e) Any Other	---	---	---	---	9,89,502	---	9,89,502	3.49	3.49
<b>Sub-total (A) (1):-</b>	<b>15,02,429</b>	<b>---</b>	<b>15,02,429</b>	<b>11.67</b>	<b>2,12,54,346</b>	<b>---</b>	<b>2,12,54,346</b>	<b>74.98</b>	<b>63.32</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	---	---	---	---	---	---	---	---
b) Other – Individuals	--	---	---	---	---	---	---	---	---
c) Bodies Corporate	--	---	---	---	---	---	---	---	---
d) Banks / Financial Institutions	--	---	---	---	---	---	---	---	---
e) Any Other	--	---	---	---	---	---	---	---	---
<b>Sub-total (A) (2):-</b>	<b>--</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	<b>15,02,429</b>	<b>---</b>	<b>15,02,429</b>	<b>11.67</b>	<b>2,12,54,346</b>	<b>---</b>	<b>2,12,54,346</b>	<b>74.98</b>	<b>63.32</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	---	---	---	---	---	---	---	---
b) Banks / FI	--	---	---	---	---	---	---	---	---
c) Central/ State Govt	--	---	---	---	---	---	---	---	---
d) Venture Capital Funds	--	---	---	---	---	---	---	---	---
e) Insurance Companies	--	---	---	---	---	---	---	---	---
f) FIs	10,53,690	---	10,53,690	8.18	10,63,690	---	10,63,690	3.75	(4.43)
g) Foreign Venture Capital Funds	--	---	---	---	---	---	---	---	---
h) Others (specify)	--	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):-</b>	<b>10,53,690</b>	<b>---</b>	<b>10,53,690</b>	<b>8.18</b>	<b>10,63,690</b>	<b>---</b>	<b>10,63,690</b>	<b>3.75</b>	<b>(4.43)</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	36,98,178	56,800	37,54,978	29.16	4,76,269	56,800	5,33,069	1.88	(27.27)
ii) Overseas	43,33,992	---	43,33,992	33.65	41,91,983	---	41,91,983	14.79	(18.86)
b) Individual shareholders holding									
i) upto Rs. 1 lakh	3,02,467	1,55,315	4,57,782	3.55	4,55,582	1,39,915	5,95,497	2.10	(1.48)
ii) excess of Rs 1 lakh	15,58,821	59,700	16,18,521	12.57	4,82,383	59,700	5,42,083	1.91	(10.65)
c) Others									
i) NRIs	32,432	59,600	92,032	0.71	11,658	59,600	71,258	0.25	(0.46)
ii) HUF	62,165	---	62,165	0.48	82,542	---	82,542	0.29	(0.19)
iii) Clearing Member	3,701	---	3,701	0.03	11,522	---	11,522	0.04	0.01
<b>Sub-total (B)(2):-</b>	<b>99,91,756</b>	<b>3,31,415</b>	<b>1,03,23,171</b>	<b>80.15</b>	<b>57,11,939</b>	<b>3,16,015</b>	<b>60,27,954</b>	<b>21.27</b>	<b>(58.89)</b>
<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>1,10,45,446</b>	<b>3,31,415</b>	<b>1,13,76,861</b>	<b>88.33</b>	<b>67,75,629</b>	<b>3,16,015</b>	<b>70,91,644</b>	<b>25.02</b>	<b>(63.32)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	<b>1,25,47,875</b>	<b>3,31,415</b>	<b>1,28,79,290</b>	<b>100.00</b>	<b>2,80,29,975</b>	<b>3,16,015</b>	<b>2,83,45,990</b>	<b>100.00</b>	<b>---</b>



**(ii) Shareholding of promoters & promoter group:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Share holding at the end of the year (31.03.2015)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nimish C. Shah	4,27,504	3.32	---	---	---	---	(3.32)
2	Jalpa Nimish Shah	3,44,025	2.67	---	---	---	---	(2.67)
3	Jagannath T. Poonja	1,94,900	1.51	---	---	---	---	(1.51)
4	Jamish Investment Private Limited	1,00,000	0.78	---	---	---	---	(0.78)
5	Sangeeta J. Poonja	1,00,000	0.78	---	---	---	---	(0.78)
6	Abhinay Poonja	1,00,000	0.78	---	---	---	---	(0.78)
7	Aparna Poonja	1,00,000	0.78	---	---	---	---	(0.78)
8	Sahil Sohan Mehta	73,200	0.57	---	---	---	---	(0.57)
9	Nimish Shah – HUF	37,800	0.29	---	---	---	---	(0.29)
10	Vidhi Nimish Shah	25,000	0.19	---	---	---	---	(0.19)
	<b>Promoters</b>							
11	Fine Estates Private Limited	---	---	---	33,33,340	11.76	---	11.76
12	Crest Resources Limited (Sharyans)	---	---	---	26,42,329	9.32	---	9.32
	<b>Promoter Group</b>							
13	Neostar Developers LLP	---	---	---	92,29,576	32.56	---	32.56
14	Aditya Infotech Private Limited	---	---	---	50,59,599	17.85	---	17.85
15	Mrs. Raksha Valia	---	---	---	3,47,791	1.22	---	1.23
16	Paresh Parekh	---	---	---	3,44,460	1.22	---	1.22
17	Sudhir Valia	---	---	---	1,50,291	0.53	---	0.53
18	Vijay Parekh	---	---	---	1,46,960	0.52	---	0.52
	<b>Total</b>	<b>15,02,429</b>	<b>11.67</b>	<b>---</b>	<b>2,12,54,346</b>	<b>74.98</b>	<b>---</b>	<b>63.32</b>
<b>Notes</b>	Persons and/or entities from serial nos. 1 to 10 ceased to be promoters w e f 10th April, 2014 and their holding if any, <b>at the end</b> of the financial year are mentioned under public category in shareholding pattern. Promoters and promoter group from serial nos. 11 to 18 became the promoters / promoter group w e f 10th April, 2014 and their holding if any, <b>at the beginning</b> of the year are mentioned under public category in shareholding pattern. % change in shareholding during the year has been calculated on the basis of the shares outstanding as on 31st March, 2015							

**(iii) change in Promoters' shareholding (please specify if there is no change) : (old promoters)**

SI No.	Particular	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>at the beginning of the year</b>	<b>15,02,429</b>	<b>11.67</b>		
	Date wise increase/decrease in Promoters & Promoter Group shareholding during the year				
1	11/04/2014 Sold (share purchase agreement)	(1,94,900)	0.69	13,07,529	<b>4.61</b>
2	26/05/2014 Sold (share purchase agreement)	(5,00,329)	1.77	8,07,200	<b>2.85</b>
3	29/05/2014 Sold (share purchase agreement)	(1,34,000)	0.47	6,73,200	<b>2.37</b>
4	30/07/2014 Sold (share purchase agreement)	(3,00,000)	1.06	3,73,200	<b>1.32</b>
	<b>At the end of the year</b>			<b># 3,73,200</b>	<b>## 1.06</b>

# Not holding as promoters at the end of the year

## percentage of transaction and holding at the year end are based on increased paid up capital of the Company.



## change in Promoters &amp; promoter Group's shareholding (please specify if there is no change) : (new promoters)

SI No.	Particular	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>at the beginning of the year</b>	<b># 40,84,753</b>	<b>31.72</b>		
	Date wise increase/decrease in Promoters & Promoter Group shareholding during the year				
1	11/04/2014 (pref. allotment)	1,54,66,700	54.56	1,95,51,453	68.97
2	11/04/2014 (open offer)	9,68,664	3.42	2,05,20,117	72.39
3	11/04/2014 (share purchase agreement)	1,94,900	0.69	2,07,15,017	73.08
4	26/05/2014 (share purchase agreement)	6,34,329	2.24	2,13,49,346	75.32
5	30/07/2014 (share purchase agreement)	3,00,000	1.06	2,16,49,346	76.38
6	12/11/2014 Sold (Offer for sale)	(3,95,000)	1.39	<b>2,12,54,346</b>	74.98
	<b>At the end of the year</b>			<b>## 2,12,54,346</b>	<b>74.98</b>

# Not holding as promoters

## percentage of holding based on increased paid up capital of the Company

## (iv) shareholding pattern of top ten shareholders (Other than Directors, Promoters, and holders of GDRs &amp; ADRs) as on 31st March, 2015. :

Sr. No.	Particular	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Nogard Investments Limited</b>				
	at the beginning of the year	18,00,000	13.98		
	at the end of the year			18,00,000	6.35
<b>2</b>	<b>Lytton Grove Corporation</b>				
	at the beginning of the year	15,33,992	11.91		
	06/02/2015 (sold in open market)	(10,000)			
	04/03/2015 (sold in open market)	(56,629)			
	09/03/2015 (sold in open market)	(33,884)			
	19/03/2015 (sold in open market)	(26,158)			
	20/03/2015 (sold in open market)	(15,338)			
	at the end of the year			13,91,983	4.91
<b>3</b>	<b>Bomin Finance Limited</b>				
	at the beginning of the year	10,00,000	7.76		
	at the end of the year			10,00,000	3.53
<b>4</b>	<b>Orange Mauritius Investments Limited</b>				
	at the beginning of the year	5,48,700	4.26		
	at the end of the year			5,48,700	1.94
<b>5</b>	<b>Hypnos Fund Limited</b>				
	at the beginning of the year	5,04,990	3.92		
	06/02/2015 (acquired from open market)	10,000	0.04		
	at the end of the year			5,14,990	1.82
<b>6</b>	<b>Nimish C. Shah</b>				





Sr. No.	Particular	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	at the beginning of the year	4,27,504	3.32		
	27/052014 (share purchase agreement)	(96,200)			
	29/052014 (share purchase agreement)	(1,79,604)			
	27/052014 (share purchase agreement)	(1,700)			
	at the end of the year			1,50,000	0.53
<b>7</b>	<b>Laxmi Mankekar</b>				
	at the beginning of the year	-	-		
	27/03/2015 (acquired from open market)	1,20,000	0.42		
	at the end of the year			1,20,000	0.42
<b>8</b>	<b>Jamish Investment Private Limited</b>				
	at the beginning of the year	1,00,000	0.78		
	at the end of the year			1,00,000	0.35
<b>9</b>	<b>Accolade Finvest Private Limited</b>				
	at the beginning of the year	-	-		
	14/11/2014 (acquired from open market)	90,378	0.32		
	at the end of the year			90,378	0.32
<b>10</b>	<b>Gagandeep Credit Capital Private Limited</b>				
	at the beginning of the year	-	-		
	14/11/2014 (acquired from open market)	90,378	0.32		
	at the end of the year			90,378	0.32
<b>Notes:</b>	Percentage of shareholding at the beginning of the year is calculated on outstanding shares as on 01.04.2014 i.e. 1,28,79,290 equity shares of Rs. 10/- each fully paid and that of at the year end is calculated on the increased paid up capital i. e 2,83,45,990 equity shares of Rs. 10/- each fully paid .				
	List of top 10 shareholders has been prepared based on the holding as on 31st March, 2015.				

**Shareholding of Directors and KMP**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease in share holding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	<b>Directors</b>							
1.	Mr. Pankaj Bhuta	4,000	0.03	---	---	---	4,000	0.01
	<b>Key Managerial Personnel</b>							
1.	Mr. Muthukumar Ganesan	7,000	0.05	---	---	---	7,000	0.02

**Note:** Percentage of shareholding at the beginning of the year is calculated on outstanding shares as on 01.04.2014 i.e. 1,28,79,290 equity shares of Rs. 10/- each fully paid and that of at the year end is calculated on the increased paid up capital i. e 2,83,45,990 equity shares of Rs. 10/- each fully paid .

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sr. No.	Particulars of Remuneration	Name of the KMP	Total Amount
		Yashpal Madan (Manager under the Companies Act)	(Rupees)
1	<b>Gross salary</b>		
	(a) Salary as provisions contained in section 17(1) of the Income tax Act, 1961 (*)	3,86,460	<b>3,86,460</b>
	(b) Value of perquisites under section 17(2) of the Income tax Act, 1961	---	---
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	---	---
2	Stock Option	---	---
3	Sweat Equity	---	---
4	Commission	---	---
	- as % of profit	---	---
	- others, specify...	---	---
5	Others, please specify	---	---
	<b>Total (A)</b>	3,86,460	<b>3,86,460</b>
	<b>Ceiling as per the Act</b>		42,00,000

(\*) The remuneration is for the part of the year for the period 01/01/2015 - 31/03/2015

**Remuneration other Directors :**

	Pankaj Bhuta	Nishit Dhruva	Total Amount
	(Rupees)	(Rupees)	(Rupees)
<b>Independent Directors</b>			
Fees for attending Board and committee meetings	2,20,000	1,80,000	<b>4,00,000</b>
Commission	---	---	---
Others	---	---	---
Total (1)	<b>2,20,000</b>	<b>1,80,000</b>	<b>4,00,000</b>



<b>Other non executive Directors</b>		<b>Chintan Valia</b>	<b>Khyati Valia</b>	<b>Total Amount</b>
Fees for attending and committee meetings		1,80,000	---	<b>1,80,000</b>
Commission		---	---	---
Other (please specify)		---	---	---
<b>Total (2)</b>		<b>1,80,000</b>	---	<b>1,80,000</b>
<b>Total B = (1+2)</b>				<b>5,80,000</b>
<b>Total managerial remuneration</b>				<b>9,66,460</b>
Overall ceiling as per the Act				<b>42,00,000</b>

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGER**

<b>Sr. No.</b>	<b>Particulars of remuneration</b>	<b>Chief Financial Officer</b>	<b>Company Secretary</b>	<b>Total (Amount in Rupees)</b>
		Muthukumar Ganesan	Haroon Mansuri	
1.	<b>Gross salary</b>			
	a) Salary as provisions contained in section 17(1) of the Income tax Act, 1961	11,03,477	7,69,081	<b>18,72,558</b>
	b) Value of perquisites under section 17(2) of the Income tax Act, 1961	---	---	---
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	---	---	---
2.	Stock Options	---	---	---
3.	Sweat Equity	---	---	---
4.	Commission	---	---	---
	- As % of profit	---	---	---
	- Others, specify	---	---	---
5.	Other (please specify)	---	---	---
	<b>Total</b>	<b>11,03,477</b>	<b>7,69,081</b>	<b>18,72,558</b>

**VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES :**

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief description</b>	<b>Details of penalties/punishments/compounding of offences</b>	<b>Authority RD/NCLT/Court</b>	<b>Appeal made, if any Details</b>
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To,  
The Members,  
Fortune Financial Services (India) Limited  
2103, Naman Midtown,  
"A" Wing, Senapati Bapat Marg,  
Elphinstone Road (W),  
Mumbai- 400013.

Dear Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fortune Financial Services (India) Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company under the financial year under report;
- 5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
- 6 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:-
  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The following are the major head / groups of Acts, Laws and Regulations as applicable to the Company.

- 7 Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, ESIC, Compensation etc.
- 8 Labour Welfare Acts of respective states.
- 9 Indian Contract Act, 1872.
- 10 Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- 11 Indian Stamp Act, 1999.
- 12 Indian Contract Act, 1872.



13 Negotiable Instruments Act, 1881.

14 Land Revenue Laws of respective states.

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

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 The Listing Agreements entered into by the Company with BSE Limited.

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

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

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

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

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

I further report that during the audit period, the Company has made allotment of 1,54,66,700 Equity Shares of Rs. 10/- each fully paid at a premium of Rs. 65/- per share on preferential basis and apart from this, there were no instances of:

- 1 Public / Rights / debentures / sweat equity.
- 2 Redemption / buy-back of securities.
- 3 Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- 4 Merger / amalgamation / reconstruction etc.
- 5 Foreign technical collaborations.

**DINESH KUMAR DEORA**  
**PRACTISING COMPANY SECRETARY**

**FCS NO. 5683**

**C P NO. 4119**

**Place: Mumbai**

**Date: 02-05-2015**



## CORPORATE GOVERNANCE REPORT

### Corporate Philosophy

Your Company converge good corporate governance, focus on enhancement of long term value creation for all stakeholders and conduct the business in accordance with the highest ethical standards and sound corporate governance practice. Clause 49 of the listing agreement, which relates to corporate governance, was revised from time to time, making far reaching amendments in the code.

The primary purpose of corporate leadership is to create wealth legally and ethically. This translates to bring a high level of satisfaction to five constituents - customers, employees, investors, vendors and the society-at-large.

Your Company confirms the compliance of corporate governance, in all material aspects, with the revised clause 49 of the listing agreement, the details of which are given below:

### I Board of Directors

#### a) Composition of the Board

The Board comprises of eminent persons with considerable professional experience from varied disciplines. The present strength of the Board as on 31st March, 2015 is four Directors. Out of these Directors, two are Independent Directors and one is Women Director thus comply with the requirement of the clause 49 of the listing agreement.

**Table 1: Composition of the Board, attendance record, membership of Board Committees**

Name	Category	Attendance		Other Director-ships (other than Pvt. Ltd. Cos.)	Committees	
		Board Meeting	Last AGM		Chairmanship	Membership
Mr. Nimish C. Shah (1) DIN : 00233136	MD	-	No	-	-	-
Mr. Chintan V. Valia DIN : 05333936	NED	5	Yes	6	3	2
Mr. Pankaj Bhuta DIN : 00171570	NE-ID	6	Yes	4	1	4
Mr. Nishit Dhruva DIN : 01641751	NE-ID	5	Yes	3	1	2
Mr. Manoj G. Patel (2) DIN : 02566288	NED	-	No	-	-	-
Mrs. Khyati Valia (3) DIN : 03445571	NED	NA	NA	3	-	-

MD - Managing Director

NED – Non Executive Director

NE ID – Non Executive Independent Director

### Changes in Directorate during the financial year :

(1) Mr. Nimish Shah resigned as a Managing Director and from the Board w. e. f. 10th April, 2014

(2) Mr. Manoj Patel resigned as a Director w. e. f. 31st March, 2015

(3) Mrs. Khyati Valia appointed as additional Women Director w. e. f. 25th March, 2015.

### Notes:

- As on 31st March, 2015 the Company had 4 (Four) Directors.
- None of the Directors on the Board holds memberships of more than ten mandatory committees or Chairmanship of more than five committees. The Company has received the necessary declarations from the Directors.
- Other directorships do not include directorships in private limited companies, section 25 companies, companies incorporated outside India and alternate directorships.
- Memberships and/or Chairmanships of the Board Committees include Audit Committee Stakeholders' Grievance Committees and Nomination & Remuneration Committee.
- The Company did not have any pecuniary relationship or transactions with Non- Executive Directors during the year ended 31st March, 2015 except for the payment of sitting fees.

#### b) Number of Board Meetings

During the year 2014-2015, the Board of Directors met five times:

The maximum gap between any two meetings had been not more than four months. All meetings were well attended.

**Table 2 – Attendance in the Board meetings**

Sr. No.	Date of Board meetings	Total strength of the Board	No. of Directors present
1.	28th May, 2014	4	2
2.	11th August, 2014	4	3
3.	18th August, 2014	4	3
4.	28th October, 2014	4	3
5.	29th January, 2015	4	3

**c) Exclusive Meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 16th March, 2015 to review the performance of Non-independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

**Table – 3 Remuneration to Directors**

Name of Directors	Remuneration	Sitting fees of the Board & Committee meetings
		( Rupees)
Mr. Nimish C. Shah	27,67,440	--
Mr. Chintan V. Valia	--	1,80,000
Mr. Pankaj Bhuta	--	2,20,000
Mr. Nishit Dhruva	--	1,80,000
Mr. Manoj Patel	--	--
Ms. Khyati C. Valia	--	--

No stock options as on date have been granted to any non-executive Directors of the Company.

**d) Number of shares held as on 31st March, 2015 by non promoter Directors :** Mr. Pankaj Bhuta - 4,000 equity shares

**e) Code of Conduct :**

The Company has adopted a 'Code of Conduct' for the members of the Board of Directors and the senior management. All Board members have affirmed compliance with the code. A declaration to this effect signed by the Director is given in this report.

**II Committees of the Board**

The Board has five major Board level committees a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee d) Risk Management Committee and e) Internal Finance Committee. The quorum for meeting is either two members or one-third of the members of the committee, whichever is higher. All decisions pertaining to the constitution of the committees, appointment of members and fixing of terms of reference for the committee is taken by the Board of Directors.

Details on the role and composition of these committees, including number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

**a) Audit committee**

The Audit Committee comprises of three members viz. Mr. Chintan V. Valia, Mr. Pankaj Bhuta, and Mr. Nishit Dhruva. In compliance with clause 49 of the listing agreement, two members of the Audit Committee including the Chairman of the committee are independent Directors. All the members are 'financially literate' as required by clause 49 and have 'accounting or related financial management expertise'.

**Terms of reference**

The broad terms and reference of Audit Committee are

The terms of reference of the Audit Committee are as per the provisions mentioned in the listing agreement and section 177 of the Companies Act, 2013.

These generally include

- (i) develop an annual plan for Committee
- (ii) review of financial reporting processes,
- (iii) review of risk management, internal control and governance processes,
- (iv) discussions on quarterly, half yearly and annual financial statements,



- (v) interaction with statutory, internal and cost auditors,
- (vi) recommendation for appointment, remuneration and terms of appointment of auditors and
- (vii) risk management framework concerning the critical operations of the Company.

**Apart from the above, the Audit Committee also reviews the following:**

- 1) Matter included in the Director's Responsibility Statement.
- 2) Changes, if any, in the accounting policies.
- 3) Major accounting estimates and significant adjustments in financial statement.
- 4) Compliance with listing and other legal requirements concerning financial statements.
- 5) Disclosures in financial statement including related party transactions,
- 6) Qualification in draft audit report.
- 7) Scrutiny of inter-corporate loans & investments.
- 8) Management's Discussions and Analysis of Company's operations.
- 9) Valuation of undertakings or assets of the company, wherever it is necessary.
- 10) Periodical Internal Audit Reports and the report of Fraud Risk Management Committee.
- 11) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- 12) Letters of Statutory Auditors to management on internal control weakness, if any.
- 13) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- 14) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- 15) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given.

The Audit Committee met four times during the year under review on 28th May, 2014; 11th August, 2014, 28th October, 2014 and 29th January, 2015.

**Table 4: Composition and attendance of members of the committee**

Sr. No.	Name	Status	No. of meetings attended
1.	Mr. Pankaj Bhuta- Independent Director	Chairman	4
2.	Mr. Chintan Valia - Non Executive Director	Member	4
3.	Mr. Nishit Dhruva - Independent Director	Member	3

There is a participation of Statutory Auditors, Internal Auditors and Chief Financial Officer of the Company in the committee meetings. Mr. Haroon Mansuri, Company Secretary acts as the Secretary of the committee.

The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings. Minutes of the Audit Committee Meetings are also circulated to the members of the Board, discussed and taken note of by the Board.

**b) Stakeholder Relationship Committee**

Company has a Board level Stakeholders Relationship Committee to examine and redress shareholders complaints. The status on complaints and share transfers is reported to the Board in quarterly meetings.

The committee consist three Directors of the Company.

During the year under review, four meetings were held on 28th May, 2014; 11th August, 2014, 28th October, 2014 and 29th January, 2015.

**Table 5: Composition and attendance of members of the committee**

Sr. No.	Name	Status	No. of meetings attended
1	Mr. Chintan V. Valia - Non Executive Director	Chairman	4
2	Mr. Pankaj Bhuta - Independent Director	Member	4
3	Mr. Nishit Dhruva - Independent Director	Member	4

The Board has designated Mr. Haroon Mansuri, Company Secretary as the Compliance Officer.

During the year under review, no complaint was received from any shareholder. There were no pending complaints either at the beginning or at the end of the year.

The Board has delegated the power of share transfer to the Registrar and Share Transfer Agent viz. Purva Sharegistry (India) Private Limited, Shivshakti Industrial Estate, Unit No.9, 7/B, Sitaram Mill Compound, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011 who process the share transfer applications.



**c) Nomination and Remuneration Committee**

The Company has in place the Nomination and Remuneration Committee comprising of one Non Executive Director Mr. Chintan V. Valia & and two independent Directors viz. Mr. Pankaj Bhuta and Mr. Nishit Dhruva.

**Table 6: Composition and attendance of members of the committee**

Sr. No.	Name	Status	No. of meeting(s) attended
1.	Mr. Nishit Dhruva - Independent Director	Chairman	1
2.	Mr. Chintan V. Valia - Non Executive Director	Member	1
3.	Mr. Pankaj Bhuta - Independent Director	Member	1

**Terms of reference**

The purpose of committee is to look into the entire gamut of remuneration package for executive directors and senior management personnel, revise their remuneration in compliance with applicable provisions of the Companies Act, 2013 and Schedule V of the Companies Act, 2013 as may be applicable, decide on commission if any, payable to the Directors within the prescribed limits and as approved by the shareholders of the Company, formulate compensation and incentive policy to be followed by the Company, formulate and administer employee welfare related schemes such as Employee Stock Options, Superannuation Fund, Gratuity Fund etc.

The committee determines and makes recommendations to the Board regarding compensation payable to the directors. The compensation in respect of Board Members is approved by the shareholders and separately disclosed in the financial statement. The remuneration/ compensation committee recommends/reviews remuneration/compensation to executive directors, based on performance and pre-determined criteria.

The remuneration policy of the Company is directed towards rewarding performance, based on periodic review of achievements by the employees at all levels. The remuneration/ compensation policy is in consonance with the existing industry practice.

The non-executive directors on the Board are entitled to sitting fees as determined by the Board from time to time.

**Meetings**

During the year under review, the committee met once on 28th January, 2015. The meeting was attended by all the members.

**d) Risk Management Committee**

In terms of a circular in March 2014 making certain amendments in the listing agreement. Clause 49VI of the listing agreement the Company has a procedure for the risk assessment, minimization procedures, implementation of risk management plan and also constituted Risk Management Committee.

**Table 7: Composition of the committee**

Sr. No.	Name	Status
1.	Mr. Chintan V. Valia - Non Executive Director	Chairman
2.	Mr. Pankaj Bhuta - Independent Director	Member
3.	Mr. Nishit Dhruva - Independent Director	Member

**e) Internal Finance Committee**

The broad terms of reference are as follows:

- Review of Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
- Review banking arrangements and cash management.
- Exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith including refinancing for optimization of borrowing costs.
- Giving of guarantees, issuing of letter of comfort, providing securities within the limits approved by the Board, provide corporate guarantee, performance guarantee by the Company within the limits approved by the Board.
- Carry out any other functions as is mandated by the Board from time to time and/or enforced by any statutory notifications, amendments or modifications as may be applicable.
- Other transactions or financial issues that the Board may desire to have them reviewed by the Committee.
- Delegate authorities from time to time to the Executives/authorised persons to implement the decisions of the Committee.
- Regularly review and make recommendations about changes to the charter of the Committee.

**Table No. 8 Composition of Internal Finance Committee -**

Sr. No.	Name	Status
1.	Mr. Chintan V. Valia - Non Executive Director	Chairman
2.	Mr. Pankaj Bhuta - Independent Director	Member
3.	Mr. Nishit Dhruva - Independent Director	Member

During the year under review no meeting was held.

### III Management:

#### Management Discussion and Analysis:

The annual report has a detailed chapter of Management Discussion and Analysis.

#### Disclosures

##### a) Subsidiary Companies:

In accordance with clause 49 (III) of the listing agreement, Intime Equities Limited, Fortune Credit Capital Limited and Antique Stock Broking Limited are the material non-listed subsidiary companies.

Mr. Pankaj Bhuta Independent Director of the holding Company is Director on the Board of Intime Equities Limited, Fortune Credit Capital Limited and Mr. Nishit Dhruva is on the Board of Antique Stock Broking Limited.

The financial statements, investments, a statement of significant transactions and the minutes of the subsidiary companies are placed in the quarterly Board meetings for review by the Board of Directors of the holding Company.

##### b) Related party transactions

- 1) Transactions with the related parties are disclosed in notes to accounts in the annual report as required under Accounting Standard 18 ("AS 18") issued by The Institute of Chartered Accountants of India.
- 2) There were no transactions of material nature which have been entered into by the Company with its Promoters, Directors, Management, Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.
- 3) The related party transactions are not in conflict with the interest of shareholders

##### c) Accounting treatment in preparation of financial statement

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in the preparation of the financial statement, the Company has not adopted a treatment different from that prescribed by the Accounting Standards.

##### d) Code for Prevention of Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has adopted a code of conduct for prevention of insider trading in the shares of the Company. The code inter-alia prohibits purchase/sale, dealing of shares of the Company by the Directors, senior management personnel and Officers of the Company while in possession of unpublished price sensitive information of the Company. The Company regularly issues Trading Window Closure Notice to all concerned, BSE Limited and also the same is uploaded in the Company's website.

##### e) Certification by Director & CFO

As required by sub clause V of the clause 49 of the listing agreement with the stock exchange, Mr. Chintan V. Valia Director and Mr. Muthukumar Ganesan, Chief Financial Officer of the Company have certified to the Board that for the financial year ended 31st March, 2015 the Company has complied with the requirements of the said sub clause.

##### f) Pledge of equity shares of the Company

as on 31st March, 2015 no equity shares of the Company were pledged by any promoter and/or their relatives.

### IV General Shareholder Information

#### a) Disclosure regarding appointment/re-appointment of Directors

At the ensuing annual general meeting of the members of the Company, scheduled to be held on 13th August, 2015. Mr. Chintan Valia, Director of the Company, retires by rotation and being eligible has offered himself for re-appointment and appointment of Ms. Khyati C. Valia as a Director of the Company.

#### b) Means of communication

The Company's website [www.fortune.co.in](http://www.fortune.co.in) contains a separate section viz. "Investor Relationship" under which shareholders information is available in a user friendly and downloadable form.

#### • Quarterly Results :

Quarterly consolidated results are published in Free Press Journal and Navshakti newspapers and the same together with stand-alone results are posted on Company's website – [www.fortune.co.in](http://www.fortune.co.in)



**Annual Report :**

Annual report containing the audited stand-alone & consolidated accounts and accounts of the subsidiary companies together with Auditors' Reports, Directors Reports, Corporate Governance reports and Management Discussion and Analysis is posted on the Company's website – www.fortune.co.in .

Apart from quarterly results and annual reports of the Company, the Company's website also contains summary of financial performance for the last five years, shareholding pattern and contact information.

**c) General Body Meetings**

**Table 9: The details of the last three annual general meetings:**

Year	Date & Time	Venue	Details of the special resolutions passed
2014	22nd September, 2014 at 11.00 a m	Naman Midtown, "A" Wing, 20th Floor, Senapati Bapat Marg, Elphinstone Road Mumbai 400 013	1. Increase in borrowing powers 2. Creation of charge, mortgage, hypothecations on movable and immovable properties of the Company. 3. Alteration of Memorandum of Association for increase in authorized capital of the Company 4. Alteration of Articles of Association for increase in authorized capital of the Company 5. Issue of equity shares under Securities Contracts (Regulation) , Rules, 1957 6. Raising of funds by issue of fresh securities of the Company 7. Approval for related party transaction – Home Finance 8. Approval for related party transaction – Assets Finance
2013	31st August, 2013 at 11.00 a m	59, Sonawalla Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai- 400 001	Appointment of Mr. Nimish C. Shah as a Managing Director of the Company
2012	25th August, 2012 at 11.00 a m	K. K. Chambers, 2nd Floor, Sir P. T. Marg, Fort, Mumbai 400 001	No special resolution passed.

During the year under review, no resolutions were passed through Postal Ballot :

During the year no extra ordinary general meeting was held.

**• Ensuing annual general meeting:**

Day & Date : Thursday, 13th August, 2015 ; Time : 11.00 a.m.

Venue : Naman Midtown, "A" Wing 20th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.

- Last date for receipt of proxies :** The proxy forms duly filled and signed by the members be sent to the Company at its registered office latest by Tuesday, 11th August, 2015 (before 11.00 a.m.)

**Table 10: Financial Calendars**

Financial Year	April 2015 – March 2016		
First quarter results	August 2015	Book closure	8th August, 2015 – 13th August, 2015
Second quarter results	November 2015	Listing of shares	BSE Limited
Third quarter results	February 2016	Stock Code	530023
Annual audited results	May 2016	ISIN	INE924D01017

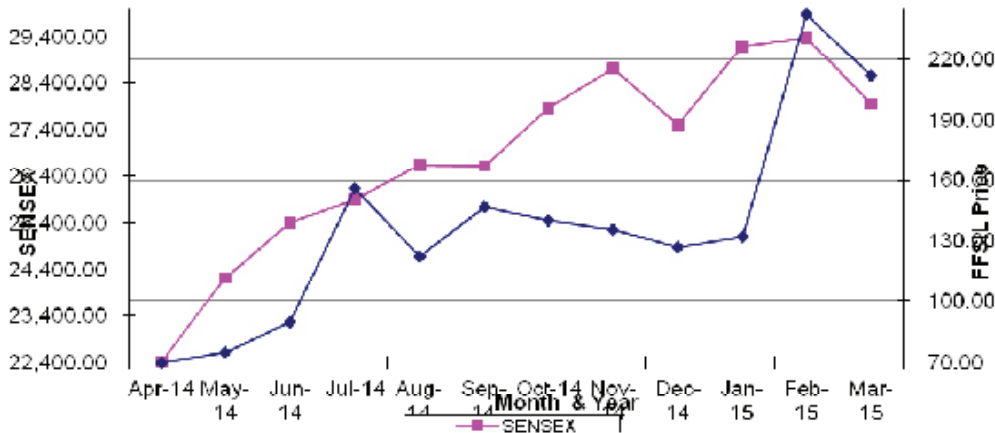
**Table 11: FFSIL share price vis-a-vis sensx from April 2014 to March 2015 :**

Month	FFSIL share price		BSE Sensx		No. of shares traded	No. of Trades
	BSE Sensx		High	Low		
	High	Low				
(Rupees)						
April 2014	79.00	61.50	22,939.31	22,197.51	2,31,367	378
May 2014	84.00	66.55	25,375.63	22,277.04	6,57,935	419
June 2014	128.00	80.00	25,725.12	24,270.20	52,101	967
July 2014	176.15	88.00	26,300.17	24,892.00	32,138	541
August 2014	153.10	115.80	26,674.38	25,232.82	23,602	377
September 2014	176.05	123.20	27,354.99	26,220.49	33,262	755



October 2014	171.95	138.00	27,894.32	25,910.77	23,128	995
November 2014	154.50	112.00	28,822.37	27,739.56	80,331	1,053
December 2014	150.00	117.40	28,809.64	26,469.42	24,553	442
January 2015	159.50	120.00	29,844.16	26,776.12	21,470	602
February 2015	242.00	131.30	29,560.32	28,044.49	83,808	1,662
March 2015	293.00	196.70	30,024.74	27,868.21	5,32,744	3,256

Source: www.bseindia.com

**Table 12 : Performance of share price of the Company in comparison to BSE Sensex:****FFSIL Price Comparison with BSE Index****Table 13: Shareholding pattern**

Category	No. of shares	% of shareholding	No. of shares	% of shareholding
<b>Promoters</b>	<b>As on March 31 2015</b>		<b>As on March 31 2014</b>	
Indian Promoters & Promoter Group	2,12,54,346	74.98	15,02,429	11.67
Non Promoters				
NRIs (including Foreign Corporate Bodies)	53,26,931	18.79	54,79,714	42.54
Corporate Bodies	5,33,069	1.88	37,54,978	29.16
Indian Public	12,31,644	4.35	21,42,169	16.63
<b>Total</b>	<b>2,83,45,990</b>	<b>100.00</b>	<b>128,79,290</b>	<b>100.00</b>

**Table 14 : Distribution of shareholding**

Category	No. of share holders	% to total	Share holding in rupees	% to total	No. of share holders	% to total	Share holding in rupees	% to total
	<b>2015</b>				<b>2014</b>			
Up to 500	1,295	81.04	21,40,640	0.76	1134	83.20	18,86,630	1.47
501 - 1,000	120	7.51	9,89,020	0.35	97	7.12	7,92,340	0.62
1,001 - 2,000	73	4.57	10,92,190	0.39	42	3.08	6,35,620	0.49
2,001 - 3,000	26	1.63	6,46,410	0.23	20	1.47	4,92,630	0.38
3,001 - 4,000	15	0.94	5,44,750	0.19	8	0.59	3,01,730	0.23
4,001 - 5,000	10	0.63	4,53,700	0.16	3	0.22	1,43,000	0.11
5,001 - 10,000	19	1.19	14,58,060	0.51	16	1.17	12,40,730	0.96
10,001 & above	40	2.50	27,61,35,130	97.42	43	3.15	12,33,00,220	95.74
<b>Total</b>	<b>1,598</b>	<b>100.00</b>	<b>28,34,59,900</b>	<b>100.00</b>	<b>1,363</b>	<b>100.00</b>	<b>12,87,92,900</b>	<b>100.00</b>



**Table 15 : Category wise summary of shareholding**

Category	No. of Share holders	No. of Share	% of Share holding	No. of Share holders	No. of shares	% of Share holding
	As on March 31 2015			As on March 31 2014		
Resident Individuals	1438	21,27,082	7.50	1,263	34,40,932	26.72
Foreign Corporate Bodies	3	41,91,983	18.79	3	43,33,992	33.65
Foreign Institutional Investors	2	10,63,690	3.75	2	10,53,690	8.18
Bodies corporate	87	2,07,97,913	73.37	51	37,54,978	29.93
HUFs	39	82,542	0.29	25	99,965	0.78
Non Resident Indians	19	71,258	0.25	14	92,032	0.71
Others	10	11,522	0.04	5	3,701	0.03
<b>Total</b>	<b>1,598</b>	<b>2,83,45,990</b>	<b>100.00</b>	<b>1,363</b>	<b>1,28,79,290</b>	<b>100.00</b>

• **Dematerialization of shares:**

The equity shares of the Company are compulsorily traded in dematerialized form and the same are available for trading on both depositories. – Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

**Table 16 : The breakup of the shares held in physical & demat form**

Particulars	No. of shares	Percentage	No. of shares	Percentage
	As on March 31 2015		As on March 31 2014	
Held in Demat form				
- CDSL	55,85,885	19.71	78,44,729	60.91
- NSDL	2,24,44,090	79.18	47,01,546	36.50
Held in physical form	3,16,015	1.11	3,33,015	2.59
<b>Total</b>	<b>2,83,45,990</b>	<b>100.00</b>	<b>1,28,79,290</b>	<b>100.00</b>

In terms of circular No. Cir/ISD/3/2011 issued by SEBI, the entire shareholding of the promoters and promoters group as on March 31 2015 is in demat form.

**Table 17 : Details of funds raised during the last three financial years**

Financial year	Particulars	Amount raised (Rs. in lakhs)	Impact on paid up equity capital of the Company
2013-2014	Allotment of 1,54,66,700 equity shares of Rs. 10/- each at a premium of Rs. 65/- per equity share to the promoters and promoter group on preferential basis.	11,600.02	On issue of 1,54,66,700 equity shares of Rs. 10/- each fully paid, the total paid up equity capital increased from Rs. 1,287.93 lakhs divided in to 1,28,79,290 equity shares of Rs. 10/- each fully paid to Rs. 2,834.60 lakhs divided in to 2,83,45,990 equity shares of Rs. 10/- each fully paid
2012-2013	No issue of shares during the year.	Nil	
2011-2012	Allotment of 6,00,000 equity shares of Rs. 10/- each at a premium of Rs. 70/- per equity share to the promoters, their relatives and the companies in which promoters are interested on preferential basis upon conversion of equity warrants.	480.00	On issue of 6,00,000 equity shares of Rs. 10/- each fully paid, the total paid up equity capital increased from Rs. 1,227.93 lakhs divided in to 1,22,79,290 equity shares of Rs. 10/- each fully paid to Rs. 1,287.93 lakhs divided in to 1,28,79,290 equity shares of Rs. 10/- each fully paid

- **Outstanding GDRs / ADRs etc. :** The Company has not issued any GDRs or ADRs.

**Table 18: Dividend history**

Financial year ended	Dividend per equity share of Rs. 10 each fully paid
	(Rupees)
March 31, 2012	0.50
March 31, 2011	2.00
March 31, 2010	2.50
March 31, 2009	1.10
March 31, 2008	2.20

As required under section 124 (5) of the Companies Act, 2013 the Company has transferred Rs. 1,71,169/- to the Investor Education and Protection Fund (IEPF) during the year under review towards unclaimed dividend for the financial year 2006-2007.

- **Share Transfer System**

The Shares of the Company are traded compulsorily in the demat mode on the stock exchange. All the transfers and demat/remat requests are processed within the stipulated time and are being handled by the Registrar and Share Transfer Agent. The Company periodically conducts audit of share transfers and security audit through competent professionals.

**Table 19: Address for shareholders' correspondence**

<b>Registered Office :</b> Company Secretary <b>Fortune Financial Services (India) Limited</b> Naman Midtown, "A" Wing, 21st Floor, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013. Tel Nos.:+91 -22- 4027 3600 Fax No.: +91-022 4027 3700 Email : cosecretary@ffsil.com Web site : www.fortune.co.in CIN no: L65910MH1991PLC062067	<b>Registrar and Share Transfer Agent :</b> Purva Sharegistry (India) Private Limited <b>(Unit : Fortune Financial Services (India) Limited)</b> Shivshakti Industrial Estate, Unit No.9 7/B, Sitaram Mill Compound, J.R. Boricha Marg Lower Parel, Mumbai – 400 011. Telephone : +91-22-2301 6761 / 8261 Fax No. +91-22-2301 2517 e-mail : busicomp@vsnl.com purvashare@mtnl.net.in Web site : www.purvashare.com
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Shareholders are requested to correspond with the share transfer agent for transfer/transmission of shares, change of address and for queries pertaining to their shareholding, dividend etc., at the address mentioned above. The shareholders may also send their suggestions, requests and complaints on email at cosecretary@ffsil.com

- **E-mail id for the shareholders :**

The Company has exclusive e-mail id viz. cosecretary@ffsil.com for the shareholders grievances & complaints.

- **Plant locations:**

The Company is engaged in financial advisory services. The Company does not have any plant, factories, industrial undertakings or workshops, hence details of plant location not applicable to the Company.

## V Compliance

- **Compliance under Clause 49 of the Listing Agreement**

The Company has complied with all mandatory requirements under clause 49 of the listing agreement with stock exchange.

There were no non-compliances by the Company during the year. No penalties, strictures, imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.



**Table 20: Compliance report for the quarter ended 31st March, 2015**

Particulars	Clause of Listing Agreement	Compliance Status Yes/No/NA	Remarks
<b>II Board of Directors</b>	49 II		
(A) Composition of Board	49 (II A)	Yes	
(B) Independent Directors	49 (II B)	Yes	
(C) Non-executive Directors' Compensation & Disclosures	49 (II C)	Yes	Refer Note 1
(D) Other Provisions as to Board and Committees	49 (II D)	Yes	
(E) Code of Conduct	49 (II E)	Yes	
(F) Whistle Blower Policy	49 (II F)	Yes	Refer Note 3
<b>III. Audit Committee</b>	49 (III)		
(A) Qualified & Independent Audit Committee	49 (III A)	Yes	
(B) Meeting of Audit Committee	49 (III B)	Yes	
(C) Powers of Audit Committee	49 (III C)	Yes	
(D) Role of Audit Committee	49 (III D)	Yes	
(E) Review of Information by Audit Committee	49 (III E)	Yes	
<b>IV. Nomination and Remuneration Committee</b>	49 (IV)	Yes	
<b>V. Subsidiary Companies</b>	49 (V)	Yes	Refer Note 2
<b>VI. Risk Management</b>	49 (VI)	Yes	
<b>VII. Related Party Transactions</b>	49 (VII)	Yes	Refer Note 3
<b>VIII. Disclosures</b>	49 (VIII)		
(A) Related Party Transactions	49 (VIII A)	Yes	Refer Note 3
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	Refer Note 3
(D) Management	49 (VIII D)	Yes	Refer Note 3
(E) Shareholders	49 (VIII E)	Yes	Refer Note 3
(F) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (VIII F)	N A	
<b>IX. CEO/CFO Certification</b>	49 (IX)	Yes	Refer Note 3
<b>X. Report on Corporate Governance</b>	49 (X)	Yes	Refer Note 3
<b>XI. Compliance</b>	49 (XI)	Yes	Refer Note 3

**Notes :**

1. The Company pays only sitting fees for the Board & Committee meetings to the Non-Executive Directors. The details are disclosed in the Annual Report of the Company for the financial year 2014-2015 and will continue to be disclosed in future.
2. Intime Equities Limited, Fortune Credit Capital Limited and Antique Stock Broking Limited are material un-listed Indian subsidiary companies. Mr. Pankaj Bhuta an Independent Director of the holding Company is a Director on the Boards of Intime Equities Limited and Fortune Credit Capital Limited and Mr. Nishit Dhruva an Independent Director of the holding Company is a Director on the Board of Antique Stock Broking Limited.
3. Disclosure made in the annual report for the financial year 2014-2015 and will continue to be disclosed in future.



- **Auditors' certificate on Corporate Governance :**

The Company has obtained a certificate from the auditors of the Company, certifying the compliance with the requirements of clause 49 of the listing agreement. The said certificate is annexed to the corporate governance report and forms part of the annual report.

- **Compliance of Clause 5A of the Listing Agreement**

In terms of clause 5A of the listing agreement, the Company has sent three reminders to the shareholders whose share certificates have been returned undelivered.

- **Disclosure under Clause 53 of the Listing Agreement**

The Company has not entered in to any contract, agreement, back to back treaties/contracts/ agreements/MOUs or similar instruments with any media companies and/or their associates.

The disclosures as required under clause 53 of the listing agreement are not applicable to the Company.

## VI Shareholders' safeguard and other information

- **Nomination facility for shareholders**

As required under the applicable provisions of the Companies Act a nomination facility is made available to the shareholders of the Company. Shareholder holding shares in physical form may avail this facility.

- **E mail address**

In view of the Circular Nos. 17/2011 & 18/2011 dated 21st April 2011 & 29th April 2011 respectively issued by the Ministry of Corporate Affairs on "Green Initiative in corporate governance" whereby the Company is permitted to send the notices, annual reports and other documents in electronic mode.

In this connection the members who are holding the shares in physical form are requested to register their e mail ids and/or intimate for the change if any, of the e mail ids already registered, quoting their Folio Nos. and other details to the Registrar and Share Transfer Agent viz. Purva Sharegistry (India) Private Limited and those holding the shares in demat form are requested to register their e mail ids with their depository participants.

The Company proposes to send the notices, annual reports and other documents in electronic mode in future.

- **Unclaimed dividend transfer to Investor Education & Protection Fund**

Pursuant to section 124 (5) of the Companies Act, 2013 all unclaimed/unpaid dividends up to the year ended 1995 - 1996 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said period(s) are requested to claim the amounts from the Registrar of Companies, Maharashtra, 100, Everest Building, Marine Lines, Mumbai - 400 020.

In terms of section 125 of the Companies Act, 2013, the unclaimed dividend for the financial years commencing from 1996 till 2007 which had remained unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account) have been transferred to Investor Education and Protection Fund ("the fund").

Dates of declaration of dividends from the financial year 2007-2008 and corresponding dates when unclaimed dividends are due for transfer to the fund are given in the below mentioned table.

**Table 21: Details of unclaimed dividend**

Financial year ended	Type of dividend	Date of declaration	Dividend amount	Unclaimed dividend as on	Last date for claiming the dividend amount	Last date for transfer to the Fund
			( Rs. in lakhs )			
31/03/2012	Final	25/08/2012	64.40	1.23	29/09/2019	30/09/2019
31/03/2011	Final	27/08/2011	247.39	4.95	01/10/2018	02/10/2018
31/03/2010	Final	28/08/2010	304.71	6.08	02/10/2017	03/10/2017
31/03/2009	Final	29/08/2009	122.10	2.92	03/10/2016	04/10/2016
31/03/2008	Final	30/08/2008	220.00	4.15	04/10/2015	05/10/2015

- **Payment of dividend through ECS mandate**

Members who are holding the shares in physical form are requested to register their bank account details and/or intimate for the change if any, in the bank accounts details already registered, quoting their Folio Nos. and other details to the Registrar and Share Transfer Agent viz. Purva Sharegistry (India) Private Limited,

Members holding the shares in demat form are requested to register their bank account details and/or intimate for the change if any, in the bank accounts details already registered, quoting their with their depository participants.

This will enable the members to receive dividend in fast and secured mode.





**Declaration by the Director under clause 49 of the listing agreement regarding adherence to the Code of Conduct**

In accordance with clause 49 of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31 2015.

Mumbai, 12th May, 2015

**Chintan V. Valia**

**Director  
(DIN: 05333936)**

**Director and Chief Financial Officer certification**

We, Chintan V. Valia, Director and Muthukumar Ganesan, Chief Financial Officer of Fortune Financial Services (India) Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31 2015 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of 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:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. there were no instances of significant fraud of which we have become aware.

Mumbai, 12th May, 2015

**Chintan V. Valia  
Director  
(DIN: 05333936)**

**S. G. Muthu Kummar  
Chief Financial Officer**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of**

**Fortune Financial Services (India) Limited**

We have examined the compliance of conditions of Corporate Governance by **Fortune Financial Services (India) Limited** (the Company) for the year ended on 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report issued by the Registrars of the Company to the Investors Grievance Committee, as on 31st March, 2015 there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

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

Mumbai, 12th May, 2015

**For S. H. Bathiya & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 101046W/W100063

**Umesh Lakhani  
Partner  
(Membership No. 044981)**



## MANAGEMENT DISCUSSION & ANALYSIS

### Macroeconomic outlook

GDP growth, by the new methodology adopted by the CSO, is 4.93% in FY15 compared with 6.64% in FY14. Growth in gross value added for some sectors was as follows: agriculture 0.23%, manufacturing 7.13%, trade, transport & communications 10.68% finance 11.54% and public administration 7.95%.

With agriculture being susceptible to a lower monsoon, there could be a negative impact of such an eventuality on farm production. But assuming that output will not be affected perceptibly on this score, the projections for FY16 are 8% growth in GDP with a downward bias depending on the monsoon impact finally. This will include 8-8.5% growth in industry with all three segments (mining, manufacturing & electricity) contributing to this growth and services (including construction) growing by 9-9.5%. Agricultural growth would be between 2.5-3% but a monsoon failure could push it down to 1-1.5%, thus bringing down GDP growth to 7.7-7.8%.

The long-term growth prospective of Indian Economy is moderately positive due to its young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy, Indian Economy has potential to become world's 3rd-largest Economy by next decade, and one of the largest economy by the mid-century.

### GDP

GDP at factor cost at 2004-2005 prices (in%)	FY15	FY14	FY13	FY12	FY11
Gross Domestic Product	4.93	6.64	4.93	6.69	8.91
Agriculture, Forestry & Fishing	0.23	3.66	1.19	5.02	8.60
Mining & Quarrying	2.42	5.39	-0.21	0.10	6.54
Manufacturing	7.13	5.32	6.23	7.41	8.86
Electricity, Gas & Water supply	7.9	4.76	4.02	8.38	5.26
Construction	4.77	2.48	-4.34	10.80	5.72
Trade, Hotel, Transport & Communication	10.68	11.09	9.60	4.33	12.00
Finance, Insurance, Real Estate & Business Services	11.54	7.87	8.82	11.35	10.01
Social & Personal Services	7.22	7.95	4.72	4.90	4.24

Source: MOSPI

Note: Data from FY13 onwards for GVA at constant basic prices (2011-12 base year), Prior to FY13 data for GDP by economic activity (2004-05 base year)

### Exports and CAD

The country's current account deficit (CAD) narrowed sharply to US Dollar 1.3 billion, or 0.2 per cent of GDP, in the fourth quarter of the last financial year on a sequential basis mainly on account of a lower trade gap. On a year-on-year basis, however, CAD (which indicates imports of goods services and transfer are higher than their exports) in fourth quarter was a shade higher than USD 1.2 billion, or 0.2 per cent of GDP, in the same quarter of financial year 2013-14.

For the full fiscal (financial year 2014-15), the current account deficit shrank to USD 27.5 billion, or 1.3 per cent of GDP, from USD 32.4 billion, or 1.7 per cent of GDP, a year ago.

Merchandise trade deficit at USD 31.7 billion in fourth quarter contracted sharply on a Q-o-Q basis on account of a larger decline in merchandise imports (13.4 per cent) than in merchandise exports (10.4 per cent). However, in terms of Y-o-Y changes, the trade deficit in fourth quarter widened marginally as exports registered a larger decline (15.4 per cent) than imports (10.4 per cent).

in %, yoy	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Export	-1.76	4.91	-1.82	21.9	40.66	-2.61	12.33	29.07
Import	-0.39	-8.44	0.22	32.41	28.46	-3.92	19.82	34.96

Source: CMIE

### Inflation

	FY15	FY14	FY13	FY12	FY11	FY10
	(Figures in %, yoy)					
WPI	2.0	6.0	7.4	8.9	9.6	3.8
Primary articles	3.0	9.8	9.8	9.8	17.8	12.7
Fuel & Power	-0.9	10.2	10.3	14.0	12.3	-2.1
Manufactured products	2.4	3.0	5.4	7.3	5.7	2.2

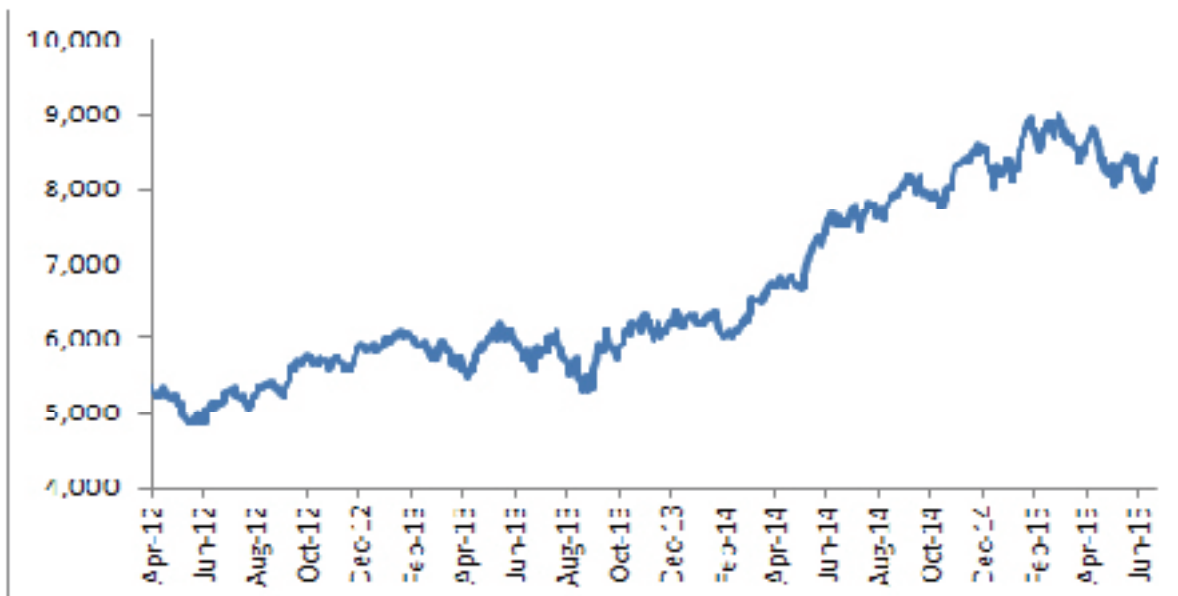
Source: CMIE



CPI inflation was 5.2% in March 2015 and the monthly number would have to be tracked closely from the policy perspective. With food inflation (6.1% in March) still the dominant component and being the one susceptible to monsoon disturbances; this will continue to be the focus area assuming crude oil prices to be stable. The World Bank has indicated benign commodity prices for 2015 which indicates that global influences on both the farm and manufactured goods would be subdued this year.

Within domestic factors, food would continue to be the important part as prices are driven by domestic demand-supply factors. Supplies in the past have been affected by deficient and excess rainfall and even though confined to specific products, could lead to generalized inflation.

**Capital market**



Source: NSE

Amid rise in investor sentiment, expectation of reforms and pick up in the industrial activity and economic growth following the clear mandate to one party in the General Elections, the benchmark Sensex at the BSE rose by 25 per cent in 2014-15, thereby capping its best show since 2009-10.

This came on the back of a strong participation by foreign institutional investors (FIIs), domestic institutions and retail investors. The mid-cap and small-cap indices rose even more as the BSE mid cap and the small cap indices rose by 50 and 51 per cent respectively during the year. In terms of milestones, the Sensex broke several of them in 2014-15. While it hit a new high of 29,681.8, it breached 7 milestones in 12 months rising from over 22,000 in April 2014 to hit 29,000 in January 2015.

**Cash Market daily turnover**

Year	BSE	NSE	(Rs. Cr)
			Total
2014	3,135	17,645	20,780
2013	2,195	10,833	13,028
2012	2,681	11,289	13,970
2011	4,333	14,049	18,382
2010	5,651	16,959	22,610

Source: NSE, BSE, SEBI

**Commodity Market**

Turnover of commodity exchanges fell 41 per cent to Rs. 58.68 lakh crore till March 15 of 2014-15 due to a sharp fall in the trading volumes of bullion and other commodities. According to the Forward Markets Commission (FMC), their business stood at Rs. 98.57 lakh crore in the same period previous year. Much of the fall in turnover was seen in bullion, followed by energy, farm and metal items.

Year	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover (in lakh Crore)	56.43	99.07	170.46	181.26	119.49	77.65
Growth (in %)	-43	-40	-6	51.7	53.9	47.9

Source: FMC



### Sectoral Break up and Growth of Different Commodities

According to the latest FMC data, the turnover from bullion fell over 50 per cent to Rs. 20.85 lakh crore during the April-March period of this fiscal from Rs. 41.99 lakh crore a year ago. Similarly, the business from energy items like crude oil declined by 36 per cent to Rs. 15.53 lakh crore from Rs. 24.12 lakh crore, while for agricultural commodities, it fell 34 per cent to Rs. 10.19 lakh crore from Rs. 15.39 lakh crore. Turnover from metals also showed a decline of 30 per cent to Rs. 12.06 lakh crore during April-March period of FY'15 from Rs. 17.05 lakh crore a year ago.

	2014-2015	% share in overall trade	2013-2014	% share in overall trade	Growth in 2014-2015
Agriculture	9,92,115	17.6	16,02,401	15.80	-38.1
Bullion	20,05,730	35.5	43,08,938	42.47	-53.5
Metals	11,61,677	20.6	17,61,360	17.36	-34.0
Energy	14,84,118	26.3	24,72,095	24.37	-40.0
<b>Overall</b>	<b>56,43,640</b>	<b>100.00</b>	<b>1,01,44,794</b>	<b>100.00</b>	

Source- FMC

Future Prospects for commodities segment –

FMC will soon be merged with the Securities and Exchange Board of India as Finance Minister Arun Jaitley had made an announcement to this effect while presenting the Budget for 2015-16 fiscal last month. At present, there are four national and six regional level commodity exchanges operating in the country.

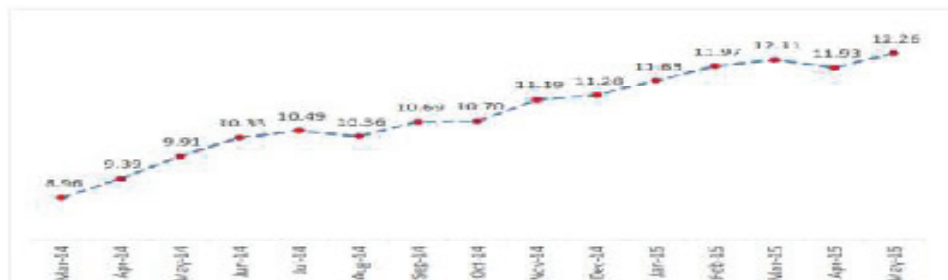
Institution Participation - Currently many institutional mostly financials are not permitted to trade commodity futures.

Introduction of Commodity Options - The matter is said to be under the active consideration of the Government and the options trading may be introduced in the near future.

Tax and Legal bottlenecks - Regulatory changes are needed to bring uniformity in octroi and sales taxes etc. Currently the taxes for speculative gain and loss are different which means speculator cannot offset futures losses against profits in the underlying commodity.

### Mutual Funds

#### Total Assets (Rs. Trillion)



Source: AMFI

(Rs. in crores)

	Sales	Redemptions	Net Resource Mobilization
FY15	11,086,260	10,982,972	103,288
FY14	9,768,401	9,714,318	54,083
FY13	7,267,885	7,191,346	76,539
FY12	6,819,679	6,841,702	-22,023
FY11	8,859,515	8,908,921	-49,406
FY10	10,019,023	9,935,942	83,081
FY09	5,426,353	5,454,650	-28,297
FY08	4,464,376	4,310,575	153,801
FY07	1,938,592	1,844,512	94,080
FY06	1,099,559	1,045,336	54,223

Source: AMFI

The net resource mobilization increased to Rs 103288 cr in FY15 which is higher by Rs. 49205 cr as compared to FY14 (by 90% up). At gross level, mutual funds mobilized over Rs 110.86 lakh crore in FY15, while there was redemption worth Rs 109.82 lakh crore.

**Financing Activities (NBFC)**

NBFCs have been playing a very important role both from the macro economic perspective and the structure of the Indian financial system. NBFCs are the preferred alternatives to the conventional banks as a financial intermediary for meeting various financial requirements of a business enterprise as they provide a hassle free credit. A sales driven approach and quick & efficient service offered by NBFC without complex formalities make them a better alternative to traditional banks. To withstand the competition, NBFCs need to constantly innovate in terms of their product as well as improve their operational efficiencies. The coming years will be very crucial for NBFCs and only those who will be able to face the challenge and prove themselves by standing the test of time will survive in the long run. The changing and tougher banking regulation can be a major impediment to the growth of NBFC in India.

NBFCs are incorporated under the Companies Act, 1956. NBFCs can be classified into two broad categories, viz.

- (i) NBFCs accepting public deposit (NBFCs-D)
- (ii) NBFCs not accepting/holding public deposit (NBFCs-ND)

NBFCs include a loan company, an investment company, asset finance company (i.e. a company conducting the business of equipment leasing or hire purchase finance) and Residuary Non-Banking Companies

Number of NBFC registered with RBI			
End June	Number of Registered NBFC	Number of NBFC-D	Number of NBFCs ND-SI
2014	12,193	221	59
2013	11,913	234	41
2012	12,385	271	375
2011	12,409	297	319
2010	12,630	308	260
2009	12,740	336	234
2008	12,809	364	189
2007	12,968	401	173
2006	13,014	428	149

Source-RBI Report

The non-banking financial sector is witnessing a consolidation process, with smaller NBFCs (deposit taking) opting for either merger or closure and some larger ones getting converted into non-deposit taking NBFCs. NBFCs are comfortably placed with higher capital. The financial performance of deposit-taking Non-Banking Financial Companies (NBFCs-D) showed an improvement as reflected in the increase in their operating profits mainly emanating from growth in fund-based income.

**Vehicle Finance**

Commercial vehicle loans are usually taken by individual, partnership firms, proprietorship firms, HUF (Hindu Undivided Family), trusts, societies, self-employed, businessmen and private and public limited companies for their financing needs for owning and running commercial vehicles. Commercial vehicle loan options are available for buses, tippers, transit mixers or any other heavy, light or small commercial vehicle. A commercial vehicle loan can be taken for a variety of commercial vehicles, which may be used at different locations. While loans are sanctioned for the purchase of a new commercial vehicle, banks also offer loans for pre-owned vehicles. Borrowers can also avail of a top up on existing loans subject to conditions.

In total, India has more than 35 financial institutions that provide financing.<sup>4</sup> Banks have an advantage over other financiers in the auto finance market because of the high degree of confidence by customers. They offer lower rates, have better access to credit histories and possess the ability to process loan approvals more quickly.

While banks have to cater to multiple products and services, some NBFCs are more sector focused. Banks were taking the easier route of lending to NBFCs and also fulfilling their priority target—lending to agriculture and allied activities. However, with the change in regulations and the recommendations of the Nair committee on priority sector lending, private banks have realized that they would have to boost their priority sector lending.

Vehicle finance industry generally faced challenges with the slowdown in demand coupled with high fuel prices and little respite in interest rates but the operating environment over the past 6-9 months has also stabilized owing to sharp drop in diesel rates and relatively firm freight rates, implying improvement in their cash flows. As per estimates from Society of Indian Automobile Manufacturers, growth in overall passenger vehicle segment is likely to improve slightly to 5-7% on the back of the continued demand for the diesel vehicles which is expected to push the growth of utility vehicle sales. In the commercial vehicle segment, sale of medium and heavy commercial ranges are expected to improve. The long term perspective of the commercial vehicle industry looks positive and is expected to grow at a compounded annual growth rate of 12-14% in FY 2016 (source: CRISIL).



**Industry performance in 2014-15**

**Production**

The industry produced a total of 23,366,246 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in April-March 2015 as against 21,500,165 in April-March 2014, registering a growth of 8.68 percent over the same period last year.

**Domestic Sales**

The sale of Passenger Vehicles grew by 3.90 percent in April-March 2015 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles grew by 4.99 percent and 5.30 percent respectively, while Vans declined by (-) 10.19 percent in April-March 2015 over the same period last year.

The overall Commercial Vehicles segment registered a de-growth of (-) 2.83 percent in April-March 2015 as compared to same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 16.02 percent and Light Commercial Vehicles declined by (-) 11.57 percent.

Three Wheelers sales grew by 10.80 percent in April-March 2015 over the same period last year. Passenger Carriers and Goods Carriers grew by 12.16 percent and 5.27 percent respectively in April-March 2015 over April-March 2014.

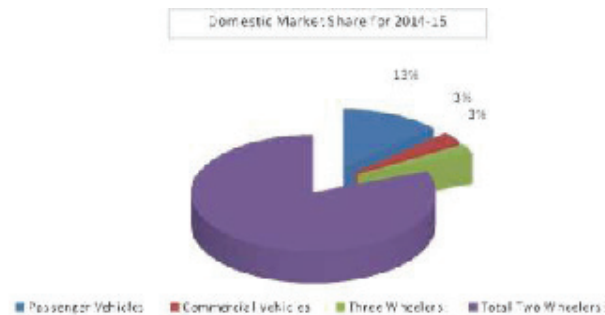
Two Wheelers sales registered growth of 8.09 percent in April-March 2015 over April-March 2014. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by 25.06 percent, 2.50 percent and 4.51 percent respectively in April-March 2015 over April-March 2014.

**Exports**

In April-March 2015, overall automobile exports grew by 14.89 percent over the same period last year. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers grew by 4.42 percent, 11.33 percent, 15.44 percent and 17.93 percent respectively during April-March 2015 over the same period last year.

(Source: www.siamindia.com).

Domestic market share for the year 2014-15	
Passenger Vehicles	13%
Commercial Vehicles	3%
Three Wheelers	3%
Two Wheelers	81%
Grand Total	100%



After two years of down cycle, some segments of the domestic Commercial Vehicle (CV) industry have shown signs of recovery in FY 2015.

**Trend in Domestic Commercial Vehicle Volumes & Growth Rates by segments**

FY	Domestic Commercial Vehicles Sales (Nos.)					YoY Growth (%)				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
<b>Segments</b>										
LCV Bus	35,182	42,799	47,827	48,868	44,816	(17.80)	(10.51)	(2.13)	9.04	30.23
LCV Truck	28,013	3,89,312	4,76,695	4,11,415	3,17,030	(28.04)	(18.33)	15.87	29.77	25.13
<b>Total LCV</b>	<b>3,15,312</b>	<b>4,32,111</b>	<b>5,24,522</b>	<b>4,60,283</b>	<b>3,61,846</b>	<b>(27.03)</b>	<b>(17.62)</b>	<b>13.96</b>	<b>27.20</b>	<b>25.74</b>
M&HCV Bus	27,687	38,709	46,913	49,882	47,938	(28.47)	(17.49)	(5.95)	4.06	11.27
M&HCV Truck	1,53,696	1,61,908	2,21,776	2,99,334	2,75,121	(5.08)	(26.99)	(25.91)	8.80	36.29
Total M&H CV	1,81,383	2,00,627	2,68,689	3,49,216	3,23,059	(9.59)	(25.33)	(23.06)	8.10	31.89
Total CV	4,96,695	6,32,738	7,93,211	8,09,499	6,84,905	(21.50)	(20.23)	(2.01)	18.19	28.57

(Source: CRISIL)



### **Financial Performance on Consolidated Basis**

The Company has achieved a turnover of Rs. 15,918.24 lakhs on consolidated as compared to Rs. 6,101.48 in the previous year.

The consolidated revenue increased by 160% from Rs.6,101,48 lakhs to Rs.15,918.24 lakhs. During the year under review, the Company reported consolidated net profit of Rs.200.35 lakhs as against consolidated net loss of Rs.124.19 lakhs during the corresponding previous year.

### **Human Resources**

The quality of servicing, the passion of the employees to reach out to new customers, achieve aggressive targets, while following the processes and at the same time retaining and winning diverse customers' confidence plays a vital role in Company's business. The recent turbulent times pushed organizations across industry to face unique and complex talent management challenges. Effective manpower planning, effective remuneration and incentive scheme helped us in retaining good talent. Since the company is engaged in knowledge and relationship based business, attraction and retention of talent is very crucial. The company has introduced various attractive employee schemes including ESOP for sharing wealth with employees.

### **Risk and Concern**

Fortune operates on a comprehensive risk management framework that has put in place over the period of time. Fortune reviews credit applications, collections and branch processes to ensure that the business process is in line with the organizational policies and procedures. Concerned divisions identify operational and tactical risk and suggest measures for mitigation and control. The findings and observations are used for periodic process improvements.

### **Internal control and their adequacy**

The Company has in place adequate systems of internal control that are commensurate with its size and nature of the business and documented procedures covering all financial and operating functions. The Company being a service industry, has in its place a clear processes and well-defined roles and responsibilities for its employees at various levels. The Management has a defined reporting system, which facilitates monitoring and adherence to the process and systems in place. Also the Management evaluates these reports, internal controls and ensures that its employees adhere not only to internal processes and procedures set by the Company from time to time but also to the various statutory compliances. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring reliability of financial and operational information published from time to time.

Our aim is to establish and enhance Company's operating policies, systems and processes in order to align them to best practices and changing organizational and regulatory requirements. With the current market scenario becoming more challenging, the focus on asset quality has taken a center stage.

Internal audit of its entire subsidiary are regularly carried out. The Internal Audit Reports along with implementation and recommendations contained therein are constantly reviewed by the Audit Committee of the Board. Audit Committee of the Board of Directors, comprising of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

### **Cautionary Statement**

Statements in this Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



## Independent Auditor's Report

### To the Members of Fortune Financial Services (India) Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Fortune Financial Services (India) Limited ('the Holding Company'), its subsidiaries (collectively referred to as "the Group")** which comprise the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditor, on the financials statements of the subsidiaries noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial statements of two subsidiaries (one direct subsidiary and one indirect subsidiary) included in the consolidated financial statements, which constitute total assets of Rs. 2238.36 lakhs as at March 31, 2015, total revenue of Rs. 58.85 lakhs, net loss of Rs. 0.87 lakhs and net outflows amounting to Rs. 89.99 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the reports of such other auditor.

Our opinion on the consolidated financial statement, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the holding company and its subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.





- b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c. The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the relevant assertion contained in the audit reports on standalone financial statements of the Holding Company and its subsidiary companies and on the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors of any such companies are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
- f. 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of a subsidiary as noted in in the other matter paragraph:
  - i. The Company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements as referred to in note 30 to the consolidated financial statements.
  - ii. The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For S. H. Bathiya & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101046W / W100063

**Umesh B. Lakhani**

**Partner**

**Membership No. : 044981**

Place : Mumbai

Date : May 12, 2015.

**Annexure to the Independent Auditors' Report**

Referred to in paragraph 1 of the Auditors' Report on "Other Legal & Regulatory Requirements" of even date to the members of Fortune Financial Services (India) Limited based on the consolidated financial statements and the comments in the Auditors' reports on the standalone financial statements of the Holding Company and its subsidiary companies as of and for the year ended on March 31, 2015.

- i. a) The Holding Company and its subsidiary companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Holding Company and its subsidiary companies have a regular programme of physical verification of its fixed assets by which all the assets have been physically verified by the management during the year at regular intervals which in our opinion and in the opinion of the other auditor are reasonable having regard to the size of the Group and the nature of their assets. No material discrepancies were noticed on such verification.
- ii. The Holding Company and its subsidiary companies except one subsidiary company are not dealing into any inventory. Accordingly, they do not hold any physical inventories. Thus, paragraph 3(ii)(a), 3(ii)(b) & 3(ii)(c) of the Order are not applicable to the Holding company and those subsidiary companies. In respect of one of the subsidiary companies;
  - (a) The Stock of securities has been physically verified during the year by the management of the subsidiary company at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of securities followed by the management are reasonable and adequate in relation to the size of the subsidiary company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the subsidiary company has maintained proper records of securities and no discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Holding Company and its subsidiary companies have granted unsecured loans to the bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The Holding Company and its subsidiary companies have not granted any secured/ unsecured loan to firms or other parties covered in the register maintained under section 189 of the Act. In respect of aforesaid loans,
  - (a) The parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - (b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system commensurate with the size of the Group and the nature of their business for purchase of fixed assets, purchase of securities and sale of services. The activities of the Group do not involve purchase and sale of goods. Further on the basis



of examination of books and records of the Group, and according to the information and explanations given to us and other auditor, we and other auditor have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

- v. The Holding Company and its subsidiary companies have not accepted any deposits from the public during the year, within the meaning of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Moreover, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the services rendered by the Holding Company and its subsidiary companies.
- vii. (a) According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its subsidiary companies, in our opinion and the opinion of other auditor, the Holding Company and its subsidiary companies are generally regular in depositing undisputed statutory dues including provident fund, income tax, wealth tax, service tax, value added tax, employees state insurance and other material statutory dues, as applicable, with the appropriate authorities though there has been slight delay in few cases. As explained to us, the Group does not have any dues on account of duty of customs, sales tax and duty of excise.

(b) According to the information and explanations given to us and other auditor, on the basis of our examination of the records of the Company, in our opinion and in opinion of the other auditor, the particulars of dues of income tax at balance sheet date which have not been deposited on account of any dispute are as follows;

Name of the statute	Nature of dues	Amount (in lakhs)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.66*	2007-08	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	12.36	2010-11	CIT(A), Mumbai
Income Tax Act, 1961	Income Tax	25.61	2011-12	CIT(A), Mumbai

\*Amount already recovered by the income tax department from the refund due

According to the information and explanations given to us and other auditor, on the basis of our examination of the records of the Company, in our opinion and in the opinion of the other auditor, there were no dues of provident fund, wealth tax, service tax, value added tax, employees state insurance, stamp duty as at balance sheet date which have not been deposited on account of any dispute.

- (C) According to the information and explanations given to us and other auditor, on the basis of our examination of the records of the Company, in our opinion and in the opinion of the other auditor, there were no amount required to be transferred by the Holding Company or any of its subsidiary companies to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Holding Company and subsidiary companies do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor the Holding Company and its subsidiary companies have not defaulted any outstanding dues to banks or debenture holders during the year. The Group do not have any outstanding dues to financial institutions during the year.
- x. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor the terms and condition of the guarantees given by the Holding Company for loans taken by subsidiary companies from banks or financial institutions during the year are not in prejudicial to the interest of the Holding company.
- xi. In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the term loans have been applied by the Group for the purposes for which they were obtained.
- xii. During the course of examination of the books and records of the Holding Company and its subsidiary companies, carried out by us and other auditor, in accordance with the generally accepted auditing practices in India, and In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, we have neither come across any instance of fraud on or by the Group, noticed or reported during the year, nor have we been informed of any such cases by the management of the respective companies.

#### For S. H. Bathiya & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101046W / W100063

**Umesh B. Lakhani**

**Partner**

**Membership No. : 044981**

Place : Mumbai

Date : May 12, 2015



## Consolidated Balance Sheet as at March 31, 2015

(Rupees in lakhs)

Particulars	Note No.	As at		As at
		31 March, 2015		31 March, 2014
<b>Shareholders' funds</b>				
Share capital	4	2,834.60	1,287.93	
Reserves and surplus	5	19,143.14	8,925.78	10,213.71
Share application money pending allotment			-	6,000.00
Minority Interest			1,859.26	
<b>Non-current liabilities</b>				
Long-term borrowings	6		2,171.15	-
<b>Current liabilities</b>				
Short-term borrowings	6	43,839.08	18,955.20	
Trade payables	7	8,627.98	12,637.84	
Other current liabilities	8	2,249.52	2,091.64	
Short-term provisions	9	1,265.49	208.42	33,893.10
<b>TOTAL</b>			<b>55,982.07</b>	<b>33,893.10</b>
<b>ASSETS</b>			<b>81,990.22</b>	<b>50,106.81</b>
<b>Non-current assets</b>				
Fixed assets	10			
(i) Tangible assets		1,187.92	397.49	
(ii) Intangible assets		1,719.98	2,214.55	
(iii) Capital work-in-progress		3.66	117.44	
Goodwill on consolidation		156.28	674.44	
Non current investments	11	616.23	0.05	
Deferred tax assets (Net)	12	612.43	202.80	
Long-term loans and advances	13	27,585.79	9,944.63	
Other non-current assets	14	-	52.39	13,603.79
<b>Current assets</b>				
Current investments	15	296.54	555.57	
Trade receivables	16	3,900.01	6,545.38	
Cash and bank balances	17	16,987.42	14,830.74	
Short-term loans and advances	13	27,370.12	14,070.78	
Other current assets	14	1,553.84	500.55	36,503.02
<b>TOTAL</b>			<b>50,107.93</b>	<b>36,503.02</b>
			<b>81,990.22</b>	<b>50,106.81</b>

See accompanying significant accounting policies and Notes to the Financial Statements **1 to 35**

As per our Report of even date

For and on behalf of the Board

**For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**S. G. Muthu Kummar**

Chief Financial Officer

**Khyati C Valia**

Director

(DIN:03445571)

**Haroon Mansuri**

Company Secretary

**Yashpal Madan**

Manager



## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(Rupees in lakhs)

Particulars	Note No.	year ended 31 March, 2015	year ended 31 March, 2014
<b>Income</b>			
Revenue from operations	18	15,874.82	5,508.26
Other income	19	43.42	593.22
<b>TOTAL</b>		<b>15,918.24</b>	6,101.48
<b>Expenses</b>			
Employee benefits expense	20	4,712.26	1,392.70
Finance costs	21	3,677.65	1,978.94
Depreciation and amortisation expense		910.64	305.94
Operating and other expenses	22	6,236.19	2,440.87
<b>TOTAL</b>		<b>15,536.74</b>	6,118.45
Profit/(Loss) before tax		381.50	(16.97)
Tax expense:			
- Current tax		261.50	34.80
- Current tax relating to prior years		(9.10)	1.80
- Deferred tax		(71.25)	70.64
Profit/ (Loss) after tax		200.35	(124.21)
Minority interest		52.08	-
Profit/ (Loss) for the year		148.27	(124.21)
Earnings per equity share:			
Basic (Rupees) ( Refer note 29 )		0.53	(0.96)
Diluted (Rupees) ( Refer note 29 )		0.53	(0.95)
See accompanying significant accounting policies and Notes to the Financial Statements	1 to 35		

As per our Report of even date

For and on behalf of the Board

**For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**S. G. Muthu Kummar**

Chief Financial Officer

**Khyati C Valia**

Director

(DIN:03445571)

**Haroon Mansuri**

Company Secretary

**Yashpal Madan**

Manager



Notes forming part of consolidated financial statements for the year ended March 31, 2015

(Rupees in lakhs)

PARTICULARS	Year ended 31.03.2015	Year ended 31.03.2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/loss before tax and extraordinary items	381.50	(16.97)
Adjustments for :		
Depreciation and amortisation expense	910.64	305.94
Deferred tax adjustment of subsidiary not considered in net profit	-	(16.98)
Miscellaneous expenses written off	68.11	15.98
Loss on sale of assets (net)	19.96	14.08
Fixed assets written off	5.79	-
Provision for diminution in value of current investments / stock /derivatives (net)	(42.83)	-
(Profit)/Loss on sale of current investments(net)	-	35.12
Net gain on sale of investments	(82.48)	-
Bad Debts / Sundry balances written off (net)	814.00	146.92
General provision against standard assets	73.42	2.22
Provision for non performing assets	8.06	-
Provisions for employee benefits	71.02	(50.73)
Interest received	(321.05)	(272.09)
Interest expense	3,560.09	1,126.32
Dividend income	(12.48)	(34.60)
Operating Profit before Working Capital Change	5,453.75	1,255.21
Adjustments for :		
<b>B</b> (Increase )/Decrease in trade and other receivables	680.88	(5,832.59)
(Increase )/Decrease in loans and advances	(30,181.19)	(8,111.60)
(Increase )/Decrease in investments	286.32	88.60
(Increase)/Decrease in margin money deposit, fixed deposit and other bank balances (Refer note 17)	(665.93)	(4,486.26)
(Increase)/Decrease in other liabilities	2,626.09	454.76
Increase/(Decrease) in trade payables	(4,009.86)	6,884.85
	(25,809.93)	(9,747.03)
Interest income	321.05	272.09
Dividend income	12.48	34.60
Direct taxes paid (net of refunds)	(1,009.35)	192.61
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(26,485.75)</b>	<b>(9,247.73)</b>
<b>C CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,164.94)	(247.48)
Good will on business acquisition	-	(2,353.11)
Sale of fixed assets	50.13	24.28
Capital work in progress	(3.66)	(73.61)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(1,118.47)</b>	<b>(2,649.92)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	5,600.03	6,000.00
Net borrowings	27,055.03	6,756.88
Interest expense	(3,560.09)	(1,126.32)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>29,094.97</b>	<b>11,630.56</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,490.75</b>	<b>(267.09)</b>
Cash and cash equivalents at the beginning of the year	592.79	859.88
Cash and cash equivalents at the end of the year ( Refer no 17)	<b>2,083.54</b>	<b>592.79</b>

Previous year's figures have been regrouped / reclassified wherever necessary.

As per our Report of even date

For and on behalf of the Board

For S.H. BATHIYA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

Umesh B Lakhani

Partner

Membership No.044981

Mumbai, May 12, 2015

Chintan V Valia

Director

(DIN :05333936)

S. G. Muthu Kummar

Chief Financial Officer

Khyati C Valia

Director

(DIN:03445571)

Haroon Mansuri

Company Secretary

Yashpal Madan

Manager



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

### 1 COMPANY OVERVIEW

Fortune Financial Services (India) Limited (the 'Company') and its Indian subsidiaries (collectively referred to as the "Group") is one of the hybrid players in the business that are present both in corporate finance as well as entire broking spectrum. The 'Group's full service portfolio consists of investment banking and corporate finance activities on the capital market side as well as advisory services, broking services in the cash and future & options segments, currency derivatives, commodities, along with offering depository services, loan, portfolio management services and other wealth and distribution related products.

### 2 BASIS OF CONSOLIDATION

The Consolidated Financial Statements relate to Fortune Financial Services (India) Limited (the Company) and its subsidiaries (collectively referred to as "the Fortune Group").

#### a) Basis of preparation

- These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and their accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'
- The notes and significant accounting policies to the Consolidated Financial Statements are intended to serve as a guide for a better understanding of the Groups position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

#### b) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expense after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- The details of subsidiaries and the interest of the Company therein, included in the Consolidated Financial Statements are as under :

Name of the company	Relationship	Proportion of ownership of interest	
		As at March 31, 2015	As at March 31, 2014
Intime Equities Limited (IEL)	Subsidiary	100.00%	100.00%
Intime Multi Commodity Company Limited	Subsidiary	100.00%	100.00%
Fortune Credit Capital Limited	Subsidiary	100.00%	100.00%
ITI Investment Advisors Limited	Subsidiary	100.00%	100.00%
Fortune Integrated Assets Finance Limited	Subsidiary	75.00%	100.00%
Fortune Integrated Home Finance Limited	Subsidiary	100.00%	100.00%
Antique Stock Broking Limited	Subsidiary	100.00%	100.00%
Inga Capital Private Limited ( w.e.f. 26-02-2015) ( INGA)	Subsidiary	68.19%	-
ITI Financial Services Limited ( w.e.f. 16-10-2014) (ITI FSL)	Subsidiary of IEL	100.00%	-
ITI Investor Services Limited (( w.e.f. 16-10-2014)	Subsidiary of ITI FSL	100.00%	-
Neue Allianz Corporate Services Pvt. Ltd. ( w.e.f. 26-02-2015)	Subsidiary of INGA	100.00%	-

- Disclosure required by Shedule III of this Companies Act, 2013 by way of additional information.

Name of the Company	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
<b>Parent</b>				
Fortune Financial Services (India) Limited	90.26	21,514.55	0.86	1.72
<b>Subsidiaries</b>				
Intime Equities Limited *	13.61	5,028.04	(36.10)	(72.33)
Intime Multi Commodities Company Limited	1.81	431.11	(4.07)	(8.15)

**Notes forming part of consolidated financial statements for the year ended March 31, 2015**

iii) Disclosure required by Schedule III of this Companies Act, 2013 by way of additional information..... contd.

Fortune Credit Capital Limited	32.33	7,706.36	10.45	20.94
ITI Investment Advisors Limited	0.32	76.21	0.17	0.35
Fortune Integrated Assets Finance Limited	23.76	5664.42	87.70	175.71
Fortune Integrated Home Finance Limited	0.10	23.42	(0.57)	(1.15)
Antique Stock Broking Limited	13.52	3222.17	98.14	196.62
Inga Capital Private Limited**	5.44	1297.21	(0.43)	(0.87)
Inter company elimination and consolidation adjustments	(81.15)	(19,343.37)	(56.14)	(112.49)
<b>Total</b>		23,837.00	100.00	200.35
Minority interest in subsidiaries		1,859.25		52.07

\*Figures for Intime Equities Limited are after consolidating with its subsidiary ITI Financial Services Ltd and Step down subsidiary ITI Investor Services Limited

\*\*Figures for Inga Capital Limited are after consolidating with its subsidiary Neue Allianz Corporate Services Private Limited

**c) Goodwill on consolidation**

Goodwill on consolidation represents the difference between the Company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries.

**3 SIGNIFICANT ACCOUNTING POLICIES****3.1 Basis of preparation of financial statements**

The accompanying financial statements are prepared under the historical cost convention on an accrual basis. The financial statements have been prepared in accordance with the generally accepted accounting principles to comply in all material respects with Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 relevant provisions of the Companies Act, 2013.

**3.2 Use of estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expense during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

**3.3 Revenue recognition**

Revenue is recognised when it is earned and no significant uncertainty exists of its ultimate realisation/collection.

- Investment banking income is accounted on the basis of the terms of agreement with the clients.
- Professional fees and other service charges are accounted when there is reasonable certainty of its ultimate realisation / collection.
- Income from broking activities is recognised on the trade dates.
- Income from distribution is accounted when there is reasonable certainty of its ultimate realisation.
- Interest income is recognised on an accrual (time proportion) basis. In its two subsidiaries which are non banking financial companies, interest on Non Performing Assets (NPAs), if any, is recognised on receipt basis, as per Reserve Bank of India guidelines.
- Income from depository operations is recognised on accrual basis.
- Dividend Income is recognised when the right to receive dividend is established.
- Profit / loss on sale of investment is determined at the time of actual sale/ redemption

**3.4 Employee Benefits****a) Short term employee benefits**

Employee benefits such as salaries, allowances short term compensated absences, estimated cost of bonus, exgratia and employee benefits under defined contribution plans such as provident fund and other funds which fall due within twelve months of rendering the service are classified as short term employee benefits and charged as expense to the Statement of Profit and Loss in the period in which the service is rendered

**b) Long term employee benefits**

Defined contribution plan such as provident fund etc. are charged to the statement of profit and loss as incurred. Defined benefit plans - The present value of obligation under such a plan is determined based on the actuarial valuation using the Projected Unit Credit Method, actuarial gains and losses arising on such valuation are recognized immediately in the statement of profit and loss. In case of



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

funded defined benefit plans the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. Other long term employee benefit are recognized in the same manner as defined benefit plans.

### 3.5 Tangible assets

Tangible fixed assets are stated at cost of acquisition, less amortisation and impairment losses, if any. An asset is recognised when it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where it's cost can be reliably measured.

### 3.6 Intangible assets

Intangible assets are stated at cost of acquisition, less amortisation and impairment losses, if any. An asset is recognised when it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where it's cost can be reliably measured.

### 3.7 Depreciation and amortisation

The Company provides for depreciation and amortisation as under:

- On written down value basis, in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013.
- On intangible assets, over a period of three years from the date of acquisition.
- On a pro-rata basis on assets purchased / sold during the year.
- On leasehold improvements, over the primary period of the lease.
- On goodwill on acquisition over a period of five years from the date of acquisition

### 3.8 Impairment

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in a prior accounting period is reversed if there is a change in the estimate of the recoverable amount recoverable amount.

### 3.9 Taxation

Provision for tax comprises current tax and deferred tax charge or credit.

Current taxes are measured on the basis of the taxes expected to be paid on the taxable income determined in accordance with the prevailing tax rates applicable to the relevant assessment year .

Deferred tax is the tax effect of the timing differences between the accounting income and taxable income. Deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the rates that have been enacted or substantially enacted as at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that there will be sufficient taxable income against which it can be realised on account of other timing differences ; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of assets. Deferred tax assets, if any, are re-assessed periodically.

Minimum alternate tax credit ( MAT credit) is recognised as an assets only to the extent there is convincing evidence that the company will pay normal tax during the specified period . Such asset is reviewed at each balance sheet date and carrying amount of the MAT credit asset is written down to the extent there is no longer as convincing evidence to the effect that the company will pay normal tax during the specified period.

### 3.10 Investments

All Investments are stated at cost. Investments that are readily realisable and intent to be held for not more than one year from the date on which investments are made are classified as current investments . All other investments are classified as long term investments . Current investments are carried at cost or fair value whichever is lower. Provision for diminution in value of current investments is made if the fair value of investments is less than its cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary. Provision for diminution in value of investments made during the year is charged to the Statement of Profit and Loss.

### 3.11 Derivative Instruments

Daily mark-to-market margins on the derivative trades are accounted separately as against the initial margin payments under Current Assets. The profit/loss on the final settlement of the derivative contracts, calculated as the difference between the final settlement price and the contract price of all the contracts in the series, is recognised on the expiry/square-up of the series of equity index/stock futures by transfer from the mark-to-market margin account.

As on the date of the Balance Sheet, provision for anticipated loss is made for the debit balance if any, in the mark-to-market margin account (maintained scrip wise /index wise) on open futures contracts, credit balances if any, in the account attributable to anticipated income being ignored keeping in view the consideration of prudence.

### 3.12 Earnings per share

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity shares, if any.





Notes forming part of consolidated financial statements for the year ended March 31, 2015

**3.13 Provisions, contingent liabilities and contingent assets**

A provision is recognised when there is a present obligation as a result of past events for which a probable outflow of resources is expected to settle the obligation and the amount of obligation can be reasonably estimated.

Contingent liabilities are not recognised but are disclosed in the notes in case of:

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**3.14 Leases**

Operating lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease payments for assets taken under operating leases are charged off to the statement of Profit and Loss over the lease term.

**3.15 Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Realised gains and losses on foreign currency transactions during the year are recognised in the Statement of Profit and Loss. Monetary items denominated in foreign currency are restated using the closing exchange rate of the date of the balance sheet and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

**4 SHARE CAPITAL**

	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount (Rupees in lakhs)	Number of shares	Amount (Rupees in lakhs)
<b>Authorised</b>				
Equity shares of Rs. 10 each	60,000,000	6,000.00	40,000,000	4,000.00
<b>TOTAL</b>		<u>6,000.00</u>		<u>4,000.00</u>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of Rs.10 each	28,345,990	2,834.60	12,879,290	1,287.93
<b>TOTAL</b>		<u>2,834.60</u>		<u>1,287.93</u>

**a Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

	As at 31-Mar-2015		As at 31-Mar-2014	
	Number of shares	Amount (Rupees in lakhs)	Number of shares	Amount (Rupees in lakhs)
At the beginning of the year	12,879,290	1,287.93	12,879,290	1,287.93
Issued during the year	15,466,700	1,546.67	-	-
At the end of the year	<u>28,345,990</u>	<u>2,834.60</u>	<u>12,879,290</u>	<u>1,287.93</u>

**b Shares held by shareholders holding more than 5% of the aggregate shares in Company shares in the Company**

Name of the Shareholders	31-Mar-2015		31-Mar-2014	
	Number of shares	% of Holding	Number of shares	% of Holding
Neostar Developers LLP	9,229,576	32.56	-	-
Aditya InfoTech Private Limited	5,059,599	17.85	692,251	5.37
Fine Estate Private Limited	3,333,340	11.76	-	-
Crest Ventures Limited	2,642,329	9.32	2,008,000	15.59
Nogard Investments Limited	1,800,000	6.35	1,800,000	13.98
Lytton Grove Corporation	1,391,983	4.91	1,533,992	11.91
Bomin Finance Limited	1,000,000	3.53	1,000,000	7.76
Alchemy Housing Finance Private Limited	-	-	692,251	5.37



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

### c Terms / 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 an equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive their share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 5 RESERVES AND SURPLUS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Capital Reserve</b>		
Balance as per last balance sheet	268.00	268.00
<b>Closing Balance</b>	<b>268.00</b>	268.00
<b>Capital Reserve on consolidation</b>		
Additions during the year	15.73	-
<b>Closing Balance</b>	<b>15.73</b>	-
<b>Securities Premium Account</b>		
Balance as per last balance sheet	5,729.52	5,729.52
Add : Securities premium credited on share issue	10,053.36	-
<b>Closing Balance</b>	<b>15,782.88</b>	5,729.52
<b>Statutory Reserve</b> <b>(u/s 45-1C of The RBI Act, 1934)</b>		
Balance as per last balance sheet	218.27	198.00
Add: Transferred during the year	39.33	20.27
<b>Closing Balance</b>	<b>257.60</b>	218.27
<b>General Reserve</b>		
Balance as per last balance sheet	732.41	732.41
<b>Closing Balance</b>	<b>732.41</b>	732.41
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last balance sheet	1,977.58	2,122.06
Net profit for the year	148.27	(124.21)
Amount available for appropriation	2,125.85	1,997.85
Less: Appropriations		
Transfer to statutory reserve	(39.33)	(20.27)
<b>Closing balance</b>	<b>2,086.52</b>	1,977.58
<b>TOTAL</b>	<b>19,143.14</b>	8,925.78



Notes forming part of consolidated financial statements for the year ended March 31, 2015

6 BORROWINGS

(Rupees in lakhs)

	Long term		Short term	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Secured</b>				
From Banks	-	-	27,872.32	7,013.12
Others	51.15	-	982.60	11,942.08
Non convertible secured debentures	2,120.00	-	-	-
Vehicle loan	-	-	5.29	-
<b>Unsecured</b>	-	-	14,978.87	-
<b>TOTAL</b>	<b>2,171.15</b>	-	<b>43,839.08</b>	18,955.20

1. Loans from banks are secured against shares, fixed deposit and pledge of book debts .
2. Other Short term secured loans are secured against shares .
3. Other Long term loan secured by movable fixed assets and carries interest @ 10.60%
4. 12 % p.a. interest bearing 2,120 Debentures of face value of Rs.100,000 each are redeemable at par on December 1, 2019 . These are secured by pledge of book debts .
5. Vehicles loans are secured by hypothecation of vehicles .

7 TRADE PAYABLES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Trade payables	8,627.98	12,637.84
<b>TOTAL</b>	<b>8,627.98</b>	12,637.84

8 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Interest accrued and due	0.18	523.90
Unclaimed dividends	19.33	21.13
Book overdrafts	-	227.89
Mark to Market Margin -Equity Index/Stock/Option/Currency futures	-	5.99
Statutory liabilities	434.78	372.65
Advance from customers and others	780.95	-
Other payables	1,014.28	940.08
<b>TOTAL</b>	<b>2,249.52</b>	2,091.64

9 SHORT TERM PROVISIONS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Provision for employee benefits</b>		
Unavailed leave	69.15	75.12
Gratuity	82.43	5.44
<b>Others</b>		
Provision for standard assets	103.01	29.58
Provision for non performing assets	106.34	98.28
Provision for expenses	904.56	-
<b>TOTAL</b>	<b>1,265.49</b>	208.42



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

## 10. FIXED ASSETS

(Rupees in lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions *	Additions / Adjustments during the year	As at 31.03.2015	As at 01.04.2014	Additions / Adjustments during the year #	On deductions	As at 31.03.2015	As at 31.03.2015	As On 31.03.2014
<b>Tangible Assets</b>										
Electrical Installation	1.84	57.93	-	<b>59.77</b>	1.82	30.70	-	<b>32.52</b>	<b>27.25</b>	0.02
Computers	597.09	430.33	34.81	<b>992.61</b>	537.50	371.31	34.06	<b>874.75</b>	<b>117.86</b>	59.59
Office Equipments	337.11	171.79	62.92	<b>445.98</b>	171.49	218.00	54.49	<b>335.00</b>	<b>110.98</b>	165.62
Furniture and Fixtures	210.65	184.31	157.84	<b>237.12</b>	149.48	152.06	119.39	<b>182.15</b>	<b>54.97</b>	61.17
Leasehold Improvements	302.71	923.08	75.81	<b>1,149.98</b>	252.68	129.47	68.37	<b>313.78</b>	<b>836.20</b>	50.03
Vehicles	164.09	38.81	74.55	<b>128.35</b>	103.03	38.40	53.74	<b>87.69</b>	<b>40.66</b>	61.06
<b>TOTAL</b>	1,613.49	1,806.25	405.93	<b>3,013.81</b>	1,216.00	939.94	330.05	<b>1,825.89</b>	<b>1,187.92</b>	397.49
Previous year	1,252.57	488.55	127.63	<b>1,613.49</b>	909.17	396.10	89.27	<b>1,216.00</b>	<b>397.49</b>	343.40
<b>Intangible Assets</b>										
Computer Software	393.78	201.59	8.81	<b>586.66</b>	336.25	225.54	8.81	<b>552.98</b>	<b>33.58</b>	57.53
Goodwill	2,353.11	-		<b>2,353.11</b>	196.09	470.62	-	<b>666.71</b>	<b>1,686.40</b>	2,157.02
<b>TOTAL</b>	2,746.89	201.59	8.81	<b>2,939.67</b>	532.34	696.16	8.81	<b>1,219.69</b>	<b>1,719.98</b>	2,214.55
Previous year	315.51	2,431.38		<b>2,746.89</b>	259.34	273.00		<b>532.34</b>	<b>2,214.55</b>	56.17
<b>TOTAL</b>	4,360.38	2,007.84	414.74	<b>5,953.48</b>	1,748.34	1,636.10	338.86	<b>3,045.58</b>	<b>2,907.90</b>	2,612.04
Previous year	1,568.08	2,919.93	127.63	<b>4,360.38</b>	1,168.51	669.10	89.27	<b>1,748.34</b>	<b>2,612.04</b>	399.57
Capital Work-In-Progress	-	3.66	-	<b>3.66</b>	-	-	-	-	<b>3.66</b>	-
Previous year	-	117.44	-	<b>117.44</b>	-	-	-	-	<b>117.44</b>	12.48

\* Includes gross block of Rs.883.81 lakhs (Previous year Rs.556.93 lakhs) related to subsidiaries acquired during year

# Includes accumulated depreciation of Rs.725.46 lakhs( Previous year Rs.363.30 lakhs ) related to subsidiaries acquired during year



Notes forming part of consolidated financial statements for the year ended March 31, 2015

11 NON CURRENT INVESTMENTS ( At cost, unless otherwise stated)

Name of the Company	Face value	Number of instruments		Amount (Rupees in lakhs)	
		As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Non Trade</b>					
<b>a) Investment in equity shares ( unquoted)</b>					
BSE Limited	Re.1	125,170	70,694	281.05	0.05
<b>b) Investment in equity shares (quoted)</b>					
Cords Cable Industries Limited	Rs.10	100,000	100,000	35.18	-
<b>c) Investment in debentures (unquoted)</b>					
Shastha Advisors Pvt. Ltd.	Rs.10	3,000,000		300.00	-
<b>TOTAL</b>				<b>616.23</b>	<b>0.05</b>
Aggregate amount of quoted investments				35.18	-
Market Value of quoted investments				25.09	-
Aggregate amount of unquoted investments				581.15	0.05

12 DEFERRED TAX ASSETS

	(Rupees in lakhs)	
	As at 31-Mar-15	As at 31-Mar-14
Provision for employee benefits	28.99	23.41
Provision for non performing assets	59.96	30.37
Provision for doubtful debts	50.80	50.80
Provision for diminution in value of current investments	28.03	23.98
Provision for doubtful advances	1.00	1.00
Related to fixed assets	106.94	73.24
Business loss and unabsorbed depreciation	336.71	-
<b>TOTAL</b>	<b>612.43</b>	<b>202.80</b>

13 LOANS AND ADVANCES

	(Rupees in lakhs)			
	Long term		Short term	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>				
Hypothecation and other loans				
Secured	35,146.40	4,008.86	12,004.59	5,295.39
Others	-	-	1,834.09	3,614.02
Less: Current maturity of hypothecation loan	(10,624.77)	(924.47)	-	-
	<b>24,521.63</b>	<b>3,084.39</b>	<b>13,838.68</b>	<b>8,909.41</b>
Deposits				
Deposit with exchanges	1,053.78	961.60	1,410.50	94.33
Security deposits	366.85	5,207.59	14.70	1.17



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

(Rupees in lakhs)

	Long term		Short term	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
Other loans	250.00	-	1,626.65	1,960.55
Advance for investments	-	-	6,241.14	1700.5
Loans to employees	14.34	71.17	46.38	23.01
Less: Provision for doubtful loans	-	-	(3.23)	(3.23)
Prepaid expenses	-	-	87.53	82.34
Advance income tax and tax deducted at source (Net)	1,379.19	619.88	-	-
Advances recoverable advances recoverable in cash or kind	-	-	4,107.77	1,302.70
<b>TOTAL</b>	<b>27,585.79</b>	<b>9,944.63</b>	<b>27,370.12</b>	<b>14,070.78</b>

Loans to employee include Rs.2.85 lakhs (Previous year Rs.4.45 lakhs) due from officer

\*Includes Rs.65.64 receivable from a Director (Previous year Nil) in respect of loan given in the ordinary course of business of the company at interest not less than the bank rate declared by Reserve bank of India

## 14 OTHER ASSETS

(Rupees in lakhs)

	Non Current		Current	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>				
Interest accrued on loan	-	-	389.32	-
Interest accrued on deposits	-	-	173.44	162.09
Repossessed assets	-	-	947.34	-
Other receivables	-	-	43.74	322.74
<b>Unamortised expenditure</b>				
Miscellaneous expenditure	-	52.39	-	15.72
<b>TOTAL</b>	<b>-</b>	<b>52.39</b>	<b>1,553.84</b>	<b>500.55</b>

## 15 CURRENT INVESTMENTS ( At cost, unless otherwise stated)

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
a) Investment in equity shares	408.91	710.78
Less : Provision for diminution in the value of current investments	112.37	155.21
<b>TOTAL</b>	<b>296.54</b>	<b>555.57</b>
Aggregate amount of quoted investments	408.91	710.78
Market value of quoted investments	296.54	555.57

Name of the Company	Face value	Number of instruments		Amount (Rupees in lakhs)	
		As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>a) Investments in Equity Instruments ( Fully paid up) (Non trade)</b>					
Aurionpro Solution Limited	Rs.10	-	15,550	-	36.41



Notes forming part of consolidated financial statements for the year ended March 31, 2015

Claris Lifesciences Limited	Rs.10	-	48,000	-	118.46
GOL Offshore Limited	Rs.10	<b>517,500</b>	517,500	<b>408.91</b>	408.92
Shasun Pharmaceuticals Limited	Rs.2	-	88,000	-	94.88
Strides Arcolab Limited	Rs.10	-	5,000	-	52.11
<b>TOTAL</b>				<b>408.91</b>	710.78

16 TRADE RECEIVABLES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Outstanding for a period exceeding six months</b>		
Secured, considered good	<b>47.43</b>	82.79
Unsecured, considered good	<b>855.52</b>	140.28
Doubtful	<b>164.39</b>	164.39
Less: Provision for doubtful debts	<b>164.39</b>	164.39
	<b>902.95</b>	223.07
<b>Others</b>		
Secured	<b>357.23</b>	648.32
Unsecured	<b>2,639.83</b>	5,673.99
<b>TOTAL</b>	<b>3,900.01</b>	6,545.38

17 CASH AND BANK BALANCES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Cash and cash equivalents</b>		
Cash on hand	<b>37.20</b>	5.26
In current accounts	<b>2,046.34</b>	587.53
	<b>2,083.54</b>	592.79
<b>Other bank balances</b>		
Fixed Deposit held as margin money or security against borrowing and guarantee	<b>14,884.54</b>	14,216.89
Unclaimed dividend account	<b>19.34</b>	21.06
	<b>14,903.88</b>	14,237.95
<b>TOTAL</b>	<b>16,987.42</b>	14,830.74

18 REVENUE FROM OPERATIONS

(Rupees in lakhs)

	Year ended 31-Mar-15	Year ended 31-Mar-14
Brokerage and related operational income	<b>8,948.29</b>	2,009.80
Interest on loans	<b>4,404.65</b>	1,692.67
Interest on fixed deposits	<b>1,324.87</b>	928.43
Investment banking and advisory	<b>420.42</b>	279.26
Other Interest income	<b>321.05</b>	272.09
Distribution and professional Income	<b>242.12</b>	12.91
Net gain on sale of investments (net)	<b>82.48</b>	-
Other operational income	<b>88.11</b>	200.86
Provision for diminution in value of current investments/stocks/derivatives written back (net)	<b>42.83</b>	112.24
<b>TOTAL</b>	<b>15,874.82</b>	5,508.26



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

## 19 OTHER INCOME

(Rupees in lakhs)

	Year ended 31-Mar-15	Year ended 31-Mar-14
Dividend Income	12.48	34.60
Exchange gain	-	0.17
Provision for non performing assets written back	-	15.16
Provision for doubtful debts /advances written back	-	9.67
Other income	4.10	120.00
Miscellaneous income	26.84	413.62
<b>TOTAL</b>	<b>43.42</b>	<b>593.22</b>

## 20 EMPLOYEE BENEFITS EXPENSE

(Rupees in lakhs)

	Year ended 31-Mar-15	Year ended 31-Mar-14
Salaries, bonus and allowances	4,421.14	1,272.84
Contributions to gratuity, provident and other funds	214.02	90.06
Staff welfare expenses	77.10	29.80
<b>TOTAL</b>	<b>4,712.26</b>	<b>1,392.70</b>

## 21 FINANCE COST

(Rupees in lakhs)

	Year ended 31-Mar-15	Year ended 31-Mar-14
Interest expenses	3,560.09	1,870.68
Bank charges	117.56	108.26
<b>TOTAL</b>	<b>3,677.65</b>	<b>1,978.94</b>

## 22 OTHER EXPENSES

(Rupees in lakhs)

	Year ended 31-Mar-15	Year ended 31-Mar-14
Stamp Duty and stamp charges	824.97	-
Legal and professional fees	562.69	245.03
Service charges	576.65	535.90
Brokerage / sub-Brokerage	366.01	162.83
Turnover Charges/ Transaction Charges	415.58	-
Other operating expenses	425.25	182.12
Rent ( Refer note 28 )	486.32	195.43
Travelling and conveyance expenses	209.27	148.42
Rates and taxes	116.15	8.04
Printing and stationery	60.86	29.95
Motor vehicle expenses	51.42	46.55
Electricity charges	165.59	90.76
Communication expenses	197.00	93.99
Advertisement expenses	2.15	2.35
Payment to auditors ( Refer note 26 )	22.73	14.27
Repairs and maintenance	94.35	171.20
Newspapers, books and periodicals	7.62	13.07
Membership and subscriptions	6.35	30.26





Notes forming part of consolidated financial statements for the year ended March 31, 2015

Business promotion expenses	155.85	89.21
Insurance	29.46	20.04
Donation	1.55	0.03
Directors' sitting fees	5.80	4.80
Bad debts/sundry balances written off	814.00	146.92
Loss on sale of assets	19.96	14.08
General provision against standard assets	73.42	2.22
Database information charges	165.82	-
Provision for non performing assets	8.06	-
Computer software expenses	215.43	98.44
Miscellaneous expenses	136.09	59.82
Loss on sale of current investments (net)	-	35.12
Exchange rate difference	1.00	-
Fixed assets written off	5.79	-
Corporate social responsibility expenditure	13.00	-
<b>TOTAL</b>	<b>6,236.19</b>	<b>2,440.87</b>

SEGMENT REPORTING:

23 Primary segment

Segments have been identified in accordance with Accounting Standard 17 'Segment Reporting', considering the organisation structure and return/risk profile of the businesses. The Management recognises and monitors these segments on a continuous basis

Secondary segment

The company does not have any separate geographical segment other than India.

The primary basis of segmental information as required by Accounting Standard 17 is set out hereunder:

(Rupees in lakhs)

Particulars	Capital market activities		Investment and merchant banking activities		Financing activities		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Segment revenue</b>								
External revenue	11,384.26	3,364.77	901.99	828.65	4,793.54	1,997.35	17,079.79	6,190.77
Inter segment revenue	486.62	73.56	275.19	15.72	399.74	-	1,161.55	89.29
<b>Total revenue</b>	<b>10,897.64</b>	<b>3,291.21</b>	<b>626.80</b>	<b>812.93</b>	<b>4,393.80</b>	<b>1,997.35</b>	<b>15,918.24</b>	<b>6,101.48</b>
Segment Result								
Profit before tax	(111.77)	(205.11)	69.42	4.65	423.85	183.49	381.50	(16.97)
Provision for tax								
Current tax	155.00	5.65	-	-	106.50	29.15	261.50	34.80
Deferred tax	(49.25)	(0.18)	0.66	0.13	(20.30)	1.85	(71.25)	1.80
Current tax relating to prior years	(12.48)	14.43	0.75	19.46	0.27	36.75	(9.10)	70.64
<b>Total Result</b>	<b>(205.04)</b>	<b>(225.01)</b>	<b>68.01</b>	<b>(14.94)</b>	<b>337.38</b>	<b>115.74</b>	<b>200.35</b>	<b>(124.21)</b>
Segment assets	30,520.74	29,991.70	4,084.12	4,265.60	47,835.36	15,849.51	81,990.22	50,106.81
Segment liabilities	22,415.34	27,246.55	933.57	6,060.42	34,804.31	6,586.13	58,153.22	39,893.10
<b>Net Segment Assets</b>	<b>8,105.40</b>	<b>2,745.15</b>	<b>3,150.55</b>	<b>(1,794.82)</b>	<b>12,581.05</b>	<b>9,263.38</b>	<b>23,837.00</b>	<b>10,213.71</b>
Other Information								
a) Capital expenditure	671.11	54.48	16.69	0.20	436.23	2,374.15	1,124.03	2,428.83
b) Depreciation and amortisation	367.25	98.89	7.79	2.99	535.60	204.07	910.64	305.95



## Notes forming part of consolidated financial statements for the year ended March 31, 2015

### 24 Related party transactions

a) Key management personnel and their relatives:	Relationship
<b>Names of related parties and nature of relationship</b>	
Mr. Nimish C Shah (up to 10-04-2014)	Managing Director
Mr. Chintan Valia	Director
Mr. Yashpal Madan	Manager
Mr. G Muthu Kummar	Chief Financial Officer

### b) Details of transaction with related parties referred to above (Rupees in lakhs)

Nature of Transactions	Key management personnel and their relatives	Total
Remuneration		-
Mr. Nimish C Shah	<b>27.67</b>	<b>27.67</b>
	(42.65)	(-)
Mr. Chintan Valia	<b>34.09</b>	34.09
	(7.64)	(-)
Mr. Yashpal Madan	<b>12.87</b>	<b>12.87</b>
	(-)	(-)
Mr. G. Muthu Kummar	<b>11.03</b>	<b>11.03</b>
	(-)	(-)
Reimbursements		
Mr. Chintan Valia	<b>8.16</b>	<b>8.16</b>
	<b>(7.64)</b>	<b>(7.64)</b>
<b>Outstanding as on March 31</b>		
Other payable		
Mr. Chintan Valia	<b>8.16</b>	<b>8.16</b>
	(7.64)	(7.64)

Note: Figures in brackets represents previous year amounts

### 25 Disclosure as per accounting standard 15 "Employee Benefits"

a) Defined Benefit Plan for Gratuity as per Actuarial Valuation as at March 31, 2015

	(Rupees in lakhs)	
	2014-2015	2013-2014
<b>Change in present value of defined benefit obligation</b>		
Liability at the beginning of the year	<b>251.80</b>	129.27
Interest cost	<b>22.94</b>	10.65
Current service cost	<b>37.46</b>	17.28
Benefit paid	<b>(126.96)</b>	(52.34)
Actuarial (gain)/loss on obligations	<b>73.81</b>	(25.30)
Liability at the end of the year	<b>259.05</b>	79.56
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	<b>185.78</b>	104.30
Expected return on plan assets	<b>16.11</b>	9.07
Contributions	<b>109.58</b>	22.94
<b>Benefit paid</b>	<b>(126.96)</b>	(52.34)
Actuarial gain/(loss) on plan assets	<b>(2.99)</b>	(0.87)
Fair value of plan assets at the end of the year	<b>181.52</b>	83.10



Notes forming part of consolidated financial statements for the year ended March 31, 2015

	(Rupees in lakhs)	
	2014-2015	2013-2014
<b>Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	(259.09)	(79.57)
Fair value of plan assets at the end of the year	181.52	83.10
Difference	(77.57)	3.53
Amount recognised in the balance sheet	<u>(77.57)</u>	<u>3.53</u>

**Expenses recognised in the Statement of Profit and Loss**

Current service cost	37.45	17.28
Interest cost	7.85	10.65
Expected return on plan assets	(1.34)	(9.07)
Actuarial gain / (loss)	76.86	(24.43)
Expense recognised in the Statement of Profit and Loss	<u>115.26</u>	<u>(5.58)</u>

**Actuarial assumptions**

Discount rate (per annum)	7.90%	8.50%
Rate of return on plan assets (per annum)	7.90%	8.60%
Attrition rate (per annum)	2.00%	2.00%
Salary escalation (per annum)	5.00%	5.00%

**26 Auditor's Remuneration**

	(Rupees in lakhs)	
	2014-2015	2013-2014
Statutory audit	13.60	11.74
Tax audit	3.75	-
Certification and other matters	5.38	2.53
<b>Total</b>	<u>22.73</u>	<u>14.27</u>

**27 Expenditure incurred in foreign currency**

	(Rupees in lakhs)	
	2014-2015	2013-2014
Brokerage and commission/ Retainership fees	33.06	-
Software expenses	56.67	-
Business promotion expenses	2.52	-
Travelling and conveyance expenses	33.59	-
<b>Total</b>	<u>125.84</u>	<u>-</u>

**28 Operating lease**

The Company has taken office premises under operating lease at various locations. These agreements provide an option to the Company to renew the lease period on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The rental expense in respect of the operating leases, recognised in the statement of Profit and Loss as "Rent" in note "22" is Rs.486.32 lakhs (previous year Rs.195.43 lakhs) Details of the minimum lease payments for the operating leases are provided hereunder:

	(Rupees in lakhs)	
	2014-2015	2013-2014
Not later than one year	397.01	32.60
Later than one year but not later than five years	727.06	-
Later than five years	-	-

**29 EARNINGS PER SHARE**

Basic and diluted earnings per share computed in accordance with Accounting Standard 20 "Earning Per Share"

**(Rupees in lakhs)**

	<b>2014-2015</b>	2013-2014
<b>A. Basic</b>		
Number of equity shares at the beginning of the year	<b>12,879,290</b>	12,879,290
Addition during the year	<b>15,466,700</b>	-
Number of equity shares at the end of the year	<b>28,345,990</b>	12,879,290
Weighted average number of equity shares	<b>27,922,245</b>	12,879,290
Net profit after tax (Rupees in lakhs)	<b>148.28</b>	(124.21)
Basic earning per equity share of Rs.10 each (Rupees)	<b>0.53</b>	(0.96)
<b>B. Diluted</b>		
Number of equity shares at the beginning of the year	<b>12,879,290</b>	12,879,290
Dilutive effect of potential equity shares	-	153,425
Addition during the year	<b>15,466,700</b>	-
Number of equity shares at the end of the year	<b>28,345,990</b>	13,032,715
Weighted average number of equity shares	<b>27,922,245</b>	13,032,715
Net profit after tax (Rupees in lakhs)	<b>148.27</b>	(124.21)
Basic earning per equity share of Rs.10 each (Rupees)	<b>0.53</b>	(0.95)

**30 Contingent Liabilities and Capital Commitments ( to the extent not provided for)**

## a) Contingent liabilities

- i) Guarantees given by banks on behalf of the Group In respect of capital adequacy, daily margin and other contractual commitments for capital market operations of the Company is Rs.6,506.25 lakhs (Previous year Rs.6,786.25 lakhs)
- ii) Corporate guarantee issued in favour of a banks to secure credit facilities sanctioned by the banks to subsidiary companies Rs.28,075 lakhs ( Previous year Rs.6,000 lakhs)
- iii) Claims against the company not acknowledged as debts
  - Related to income tax Rs. 38.63 lakhs ( Previous year Rs.13.02 lakhs)
  - Others Rs.97.86 lakhs ( Previous year Rs.97.86 lakhs)

## b) Estimated amount of contracts remaining to be executed on capital account Nil (Previous year Rs.565.66 lakhs)

- 31** There are no amounts payable to any micro, small and medium enterprises as identified by the management from the information available with the Company and relied upon by auditors.
- 32** In the opinion of Management, the value of all current assets, loans and advances and other receivables is not less than their realisable value in the ordinary course of business.
- 33** Balances standing in debtors, creditors and loan and advances are subject to confirmation.
- 34** Current year figures of consolidated financial statement are not comparable with that of Previous financial year figure due to acquisitions of Antique Stock Broking Limited, Inga Capital Private Limited, ITI Financial Services Limited, ITI Investor Services Limited, Neue Allianz Corporate Services Private Limited during the year
- 35** Previous year's figures are reworked, regrouped, rearranged and reclassified wherever necessary, to conform to the current year's classification.

As per our Report of even date

**For and on behalf of the Board****For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**S. G. Muthu Kummar**

Chief Financial Officer

**Khyati C Valia**

Director

(DIN:03445571)

**Haroon Mansuri**

Company Secretary

**Yashpal Madan**

Manager



Fortune Financial Services (India) Limited  
Stand- alone Financial Statements  
for the year ended March 31, 2015



## Independent Auditor's Report

To the Members of Fortune Financial Services (India) Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Fortune Financial Services (India) Limited ('the Company')**, which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f. 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 as referred to in note 26 to the financial statements.
- ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S. H. Bathiya & Associates LLP**

Chartered Accountants  
ICAI FRN: 101046W / W100063

**Umesh B. Lakhani**  
**Partner**  
**Membership No. : 044981**

Place : Mumbai  
Date : May 12, 2015.

**Annexure to the Independent Auditors’ Report**

Referred to in paragraph 1 of the Auditors’ Report on “Other Legal & Regulatory Requirements” of even date to the members of **Fortune Financial Services (India) Limited** on the financial statements as of and for the year ended on March 31,2015.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which all the assets have been physically verified by the management during the year at regular intervals which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. The Company is a primarily engaged in business of financial advisory and consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii)(a), 3(ii)(b) & 3(ii)(c) of the Order are not applicable.
- iii. The Company has granted unsecured loans to four bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).  
(a) In respect of aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.  
(b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. Further on the basis of examination of books and records of the company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public during the year, within the meaning of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Moreover, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, wealth tax, service tax, and other material statutory dues, as applicable, with the appropriate authorities though there has been slight delay in few cases. As explained to us, the Company does not have any dues on account of duty of customs, sales tax, value added tax, employees state insurance and duty of excise.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the particulars of dues of income tax at balance sheet date which have not been deposited on account of any dispute are as follows;

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. in lakhs)</b>	<b>Period for which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income tax act, 1961	Income Tax	12.36	2010-11	CIT(A), Mumbai
Income tax act, 1961	Income Tax	25.61	2011-12	CIT(A), Mumbai



According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, there were no dues of provident fund, wealth tax, service tax, or cess as at balance sheet date which have not been deposited on account of any dispute.

- (c) There were no amount required to be transferred to Investor Education and Protection Fund in accordance with the provision of the Act, and rules made there under.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. In our opinion and according to the information and the explanations given to us, the terms and condition of the guarantees given by the company for loans taken by its subsidiaries from banks or financial institutions during the year are not in prejudicial to the interest of the company.
- xi. The Company did not have any term loans outstanding during the year.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such cases by the management.

**For S. H. Bathiya & Associates LLP**

Chartered Accountants

ICAI FRN: 101046W / W100063

**Umesh B. Lakhani**

**Partner**

**Membership No. : 044981**

Place : Mumbai

Date : May 12, 2015.





## Balance Sheet as at March 31, 2015

(Rupees in lakhs)

Particulars	Note No.	As at		As at
		31 March, 2015		31 March, 2014
<b>Shareholders' funds</b>				
Share capital	3	2,834.60		1,287.93
Reserves and surplus	4	18,679.95		8,624.87
<b>TOTAL</b>			<b>21,514.55</b>	9,912.80
<b>Share application money pending allotment</b>			-	6,000.00
<b>Current liabilities</b>				
Short term borrowings	5	-		2,824.47
Other current liabilities	6	68.82		196.47
Short-term provisions	7	7.85	76.67	33.47
<b>TOTAL</b>			<b>21,591.22</b>	18,967.21
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets	8			
(i) Tangible assets		15.40		5.17
(ii) Intangible assets		-		0.27
(iii) Capital work-in-progress		-		1.49
Non- Current investments	9	19,822.88		10,624.75
Deferred tax assets (Net)	10	11.22		18.77
Long-term loans and advances	11	295.33		1,158.00
Other non-current assets	12	-	20,144.83	1.03
<b>Current assets</b>				
Trade receivables	13	-		120.00
Cash and cash equivalents	14	47.92		1,387.74
Short-term loans and advances	11	1,216.50		5,549.95
Other current assets	12	181.97	1,446.39	100.04
<b>TOTAL</b>			<b>21,591.22</b>	18,967.21

See accompanying significant accounting policies and Notes to the Financial Statements

1 to 31

As per our Report of even date

For and on behalf of the Board

**For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**Khyati C Valia**

Director

(DIN:03445571)

**Yashpal Madan**

Manager

**S. G. Muthu Kummar**

Chief Financial Officer

**Haroon Mansuri**

Company Secretary



## Statement of Profit and Loss for the year ended March 31, 2015

(Rupees in lakhs)

Particulars	Note No.	year ended 31 March, 2015	year ended 31 March, 2014
<b>Income</b>	<b>15</b>	<b>159.95</b>	403.78
Revenue from Operations	<b>16</b>	<b>358.87</b>	424.87
Other Income		<b>518.82</b>	828.65
<b>TOTAL</b>			
<b>Expenses</b>			
Employee benefits expenses	<b>17</b>	<b>62.66</b>	164.70
Finance cost	<b>18</b>	<b>192.21</b>	370.86
Depreciation and amortisation expenses		<b>6.73</b>	2.99
Other expenses	<b>19</b>	<b>247.19</b>	294.57
<b>Total expenses</b>		<b>508.79</b>	833.12
<b>Profit / (Loss) before tax</b>		<b>10.03</b>	(4.47)
<b>Tax expense:</b>			
- Current tax		-	-
- Tax in respect of earlier years		<b>0.75</b>	0.13
- Deferred tax		<b>7.56</b>	19.46
Profit/(Loss) after tax		<b>1.72</b>	(24.06)
Earnings per equity share:			
Basic (Refer note 25)		<b>0.01</b>	(0.19)
Diluted (Refer note 25)		<b>0.01</b>	(0.18)
See accompanying significant accounting policies and Notes to the Financial Statements	<b>1 to 31</b>		

As per our Report of even date

For and on behalf of the Board

### For S.H. BATHIYA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

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#### Haroon Mansuri

Company Secretary

#### Yashpal Madan

Manager



Cash flow statement for the year ended March 31, 2015

(Rupees in lakhs)

PARTICULARS	Year ended 31.03.2015	Year ended 31.03.2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax as per statement of Profit and Loss	10.03	(4.47)
Adjustments for :		
Depreciation and amortisation	6.73	2.99
Miscellaneous expenses written off	1.39	0.36
Profit on sale on assets (Net)	-	0.07
Provision for employee benefits (Net)	(25.62)	(51.08)
Provision for doubtful debts written back	-	(9.76)
Bad debts / sundry balances written off (Net)	(1.53)	10.90
Interest income	(352.82)	(232.56)
Interest expense	190.44	370.56
Dividend income	(2.83)	(2.83)
Operating Profit before working capital change	(174.21)	84.18
Adjustments for :		
(Increase) / Decrease in trade and other receivables	120.00	(71.21)
(Increase) / Decrease in loans and others	5,169.31	(6,113.72)
Increase / (Decrease) in trade payables and other payables	(126.13)	40.94
	4,988.97	(6,059.81)
Direct tax paid (net)	(56.23)	(65.00)
<b>NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>4,932.74</b>	<b>(6,124.81)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(15.20)	(0.20)
Capital work in progress	-	(1.49)
Sale of fixed assets	-	6.70
(Increase) / Decrease in investments in subsidiaries	(9,198.13)	(1,275.00)
Increase / (Decrease) in fixed deposits and other bank balances	1,351.21	(104.12)
Interest income	352.82	232.56
Dividend received	2.83	2.83
<b>NET CASH INFLOW /(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(7,506.47)</b>	<b>(1,138.72)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of shares	5,600.03	6,000.00
Net borrowings	(2,824.47)	1,642.17
Interest expense	(190.44)	(370.56)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>2,585.12</b>	<b>7,271.61</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>11.39</b>	<b>8.08</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17.19</b>	<b>9.11</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>28.58</b>	<b>17.19</b>

Previous year's figures have been regrouped / reclassified wherever necessary , to confirm the current year's classification.

As per our Report of even date

For and on behalf of the Board

**For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**S. G. Muthu Kummar**

Chief Financial Officer

**Khyati C Valia**

Director

(DIN:03445571)

**Haroon Mansuri**

Company Secretary

**Yashpal Madan**

Manager



## Notes forming part of financial statements for the year ended March 31, 2015

### 1 COMPANY OVERVIEW

Fortune Financial Services (India) Limited ('Fortune' or the Company) was incorporated on June 14, 1991 as a private limited company. It was subsequently converted into a public limited company on October 20, 1994. The company had made an initial public offer in February, 1995. The Company is presently listed on The Bombay Stock Exchange. The company has Indian subsidiaries for equity and commodity broking, financing, Investment banking and third party distribution activities.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention on an accrual basis. The financial statements have been prepared in accordance with the generally accepted accounting principles to comply in all material aspects with the Accounting Standards (AS) prescribed in the Companies (Accounting Standards) Rules 2006 and the provisions of the Companies Act, 2013 ("The Act") issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expense during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

#### 2.3 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliable measured.

- a. Investment banking income is accounted on the basis of the terms of agreement with the clients.
- b. Placement fees, professional fees and other service charges are accounted when there is reasonable certainty of its ultimate realization / collection.
- c. Income from distribution is accounted when there is reasonable certainty of its ultimate realization/collection.
- d. Interest income is recognized on an accrual (time proportion) basis.
- e. Dividend income is recognized when the right to receive dividend is established.
- f. Profit / loss on sale of investment is determined at the time of actual sale/ redemption

#### 2.4 Employee benefits

- a) Short term employee benefits

Employee benefits such as salaries, allowances short term compensated absences, estimated cost of bonus, exgratia and employee benefits under defined contribution plans such as provident fund and other funds which fall due within twelve months of rendering the service are classified as short term employee benefits and charged as expense to the Statement of Profit and Loss in the period in which the service is rendered

- b) Long term employee benefits

Defined contribution plan such as provident fund etc. are charged to the statement of profit and loss as incurred. Defined benefit plans - The present value of obligation under such a plan is determined based on the actuarial valuation using the Projected Unit Credit Method, actuarial gains and losses arising on such valuation are recognized immediately in the statement of profit and loss. In case of funded defined benefit plans the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. Other long term employee benefit are recognized in the same manner as defined benefit plans.

#### 2.5 Tangible assets

Tangible fixed assets are stated at cost of acquisition net of tax / duty credits less accumulated depreciation. Cost includes all expenses incurred incidental to the acquisition of fixed assets.

#### 2.6 Intangible assets

Intangible assets are stated at cost of acquisition, net of tax / duty credits availed less amortization and impairment losses, if any. An asset is recognized when it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where it's cost can be reliably measured.

#### 2.7 Depreciation and amortization

The Company provides for depreciation and amortization as under:

The Company provides for depreciation as under:



## Notes forming part of financial statements for the year ended March 31, 2015

- a. On written down value basis, in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013.
- b. On a pro-rata basis on assets purchased / sold during the year.
- c. On leasehold improvements, over the primary period of the lease.
- d. On intangible assets, over a period of five years from the date of acquisition.

### 2.8 Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there is a change in the estimate of the recoverable amount.

### 2.9 Taxation

Provision for tax comprises current tax and deferred tax charge or credit.

Current taxes are measured on the basis of the taxes expected to be paid on the taxable income determined in accordance with the prevailing tax rates applicable to the relevant assessment year .

Deferred tax is the tax effect of the timing differences between the accounting income and taxable income. Deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the rates that have been enacted or substantially enacted as at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that there will be sufficient taxable income against which it can be realised on account of other timing differences ; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of assets. Deferred tax assets, if any, are re-assessed periodically.

Minimum alternate tax credit ( MAT credit) is recognised as an assets only to the extent there is convincing evidence that the company will pay normal tax during the specified period . Such asset is reviewed at each balance sheet date and carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the company will pay normal tax during the specified period.

### 2.10 Investments

“All Investments are stated at cost. Investments that are readily realisable and intent to be held for not more than one year from the date on which investments are made are classified as current investments . All other investments are classified as long term investments . Current investments are carried at cost or fair value whichever is lower. Provision for diminution in value of current investments is made if the fair value of investments is less than its cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary. Provision for diminution in value of investments made during the year is charged to the Statement of Profit and Loss.”

### 2.11 Derivative instruments

Daily mark-to-market margins on the derivative trades are accounted separately as against the initial margin payments under Current Assets. The profit/loss on the final settlement of the derivative contracts, calculated as the difference between the final settlement price and the contract price of all the contracts in the series, is recognized on the expiry/square-up of the series of equity index/stock futures by transfer from the mark-to-market margin account.

As on the date of the Balance Sheet, provision for anticipated loss is made for the debit balance if any, in the mark-to-market margin account (maintained scrip wise /index wise) on open futures contracts, credit balances if any, in the account attributable to anticipated income being ignored keeping in view the consideration of prudence.

### 2.12 Earnings per share

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity shares, if any.

### 2.13 Provisions, contingent liabilities and contingent assets

A provision is recognised when there is a present obligation as a result of past events for which a probable outflow of resources embodying economic benefits are expected to settle the obligation and the amount of the obligation can be reliably estimated.

Contingent liabilities are not recognised but are disclosed in the notes in case of:

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) a possible obligations, unless the probability of outflow of resources is remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.



## Notes forming part of financial statements for the year ended March 31, 2015

### 2.14 Leases

Operating lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease payments for assets taken under operating leases are charged off to the statement of Profit and Loss over the lease term.

### 2.15 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Realized gains and losses on foreign currency transactions during the year are recognized in the Statement of Profit and Loss. Monetary items denominated in foreign currency are restated using the closing exchange rate of the date of the balance sheet and the resulting net exchange difference is recognized in the Statement of Profit and Loss.

## 3 SHARE CAPITAL

	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount ( Rupees in lakhs)	Number of shares	Amount ( Rupees in lakhs)
<b>Authorised</b>				
Equity shares of Rs. 10 each	60,000,000	6,000.00	40,000,000	4,000.00
		<u>6,000.00</u>		<u>4,000.00</u>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of Rs. 10 each	28,345,990	2,834.60	12,879,290	1,287.93
<b>TOTAL</b>		<u>2,834.60</u>		<u>1,287.93</u>

### a Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	As at 31-Mar-2015		As at 31-Mar-2014	
	Number of shares	Amount ( Rupees in lakhs)	Number of shares	Amount ( Rupees in lakhs)
At the beginning of the year	12,879,290	1,287.93	12,879,290	1,287.93
Issued during the year	15,466,700	1,546.67	-	-
At the end of the year	<u>28,345,990</u>	<u>2,834.60</u>	<u>12,879,290</u>	<u>1,287.93</u>

### b Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholders	31-Mar-2015		31-Mar-2014	
	Number of shares	% of Holding	Number of shares	% of Holding
Neostar Developers LLP	9,229,576	32.56	-	-
Aditya InfoTech Private Limited	5,059,599	17.85	692,251	5.37
Fine Estate Private Limited	3,333,340	11.76	-	-
Crest Ventures Limited	2,642,329	9.32	2,008,000	15.59
Nogard Investments Limited	1,800,000	6.35	1,800,000	13.98
Lytton Grove Corporation	1,391,983	4.91	1,533,992	11.91
Bomin Finance Limited	1,000,000	3.53	1,000,000	7.76
Alchemy Housing Finance Private Limited	-	-	692,251	5.37

### c Terms / 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 an equity share is entitled to one vote per share on every resolution placed before the Company on the right to receive dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes forming part of financial statements for the year ended March 31, 2015

4 RESERVES AND SURPLUS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Capital Reserve</b>		
Balance as per last balance sheet	268.00	268.00
<b>Closing Balance</b>	<b>268.00</b>	268.00
<b>Securities Premium Account</b>		
Balance as per last balance sheet	5,729.52	5,729.52
Add : Securities premium credited on share issue	10,053.36	-
<b>Closing Balance</b>	<b>15,782.88</b>	5,729.52
<b>General Reserve</b>		
Balance as per last balance sheet	439.18	439.18
<b>Closing Balance</b>	<b>439.18</b>	439.18
Surplus in Statement of Profit and Loss		
Balance as per last balance sheet	2,188.17	2,212.23
Add: Profit / (Loss) for the year	1.72	(24.06)
Amount available for appropriation	2,189.89	2,188.17
<b>TOTAL</b>	<b>18,679.95</b>	8,624.87

5 SHORT TERM BORROWINGS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Secured</b>		
Loan from bank	-	1,233.00
<b>Unsecured</b>		
Loan from others	-	1,177.66
Loan from related party	-	413.81
<b>TOTAL</b>	<b>-</b>	2,824.47

Secured loan from Bank is secured by pledge of fixed deposits.

6 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Interest accrued and due	-	65.54
Unclaimed dividends	19.33	21.13
Statutory liabilities	3.16	11.20
Other payables	29.43	18.42
Payables to related parties	16.90	80.18
<b>TOTAL</b>	<b>68.82</b>	196.47

7 SHORT TERM PROVISIONS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Provision for employee benefits</b>		
Unavailed leave	7.85	33.47
<b>TOTAL</b>	<b>7.85</b>	33.47



## Notes forming part of financial statements for the year ended March 31, 2015

## 8 FIXED ASSETS

(Rupees in lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Addition during the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 01.04.2014	For the Year	On deduc- tions/ Adjust- ments	As at 31.03.2015	As at 31.03.2015	As On 31.03.2014
<b>Tangible assets</b>										
Computers	18.36	-	18.32	<b>0.04</b>	17.51	0.83	18.32	<b>0.02</b>	<b>0.02</b>	0.85
Office equipments	13.81	-	9.82	<b>3.99</b>	10.64	3.09	9.82	<b>3.91</b>	<b>0.08</b>	3.17
Furniture and fixtures	20.83	-	17.95	<b>2.88</b>	19.68	0.84	17.95	<b>2.57</b>	<b>0.31</b>	1.15
Leasehold improvements	12.51	16.69	12.50	<b>16.70</b>	12.51	1.71	12.50	<b>1.72</b>	<b>14.98</b>	-
<b>TOTAL</b>	65.51	16.69	58.59	<b>23.61</b>	60.34	6.47	58.59	<b>8.22</b>	<b>15.39</b>	5.17
Previous year	87.05	0.20	21.74	<b>65.51</b>	73.52	1.79	14.97	<b>60.34</b>	<b>5.17</b>	13.53
<b>Intangible assets</b>										
Computer software	17.80	-	-	<b>17.80</b>	17.53	0.26	-	<b>17.79</b>	<b>0.01</b>	0.27
<b>TOTAL</b>	17.80	-	-	<b>17.80</b>	17.53	0.26	-	<b>17.79</b>	<b>0.01</b>	0.27
Previous year	17.80	-	-	<b>17.80</b>	16.33	1.20	-	<b>17.53</b>	<b>0.27</b>	1.47
<b>TOTAL</b>	83.31	16.69	58.59	<b>41.41</b>	77.87	6.73	58.59	<b>26.01</b>	<b>15.40</b>	5.44
Previous year	104.85	0.20	21.74	<b>83.31</b>	89.85	2.99	14.97	<b>77.87</b>	<b>5.44</b>	15.00
Capital work- in-progress	1.49	-	1.49	-	-	-	-	-	-	-
Previous year	-	1.49	-	<b>1.49</b>	-	-	-	-	<b>1.49</b>	-





Notes forming part of financial statements for the year ended March 31, 2015

9 NON-CURRENT INVESTMENTS

Name of the Company	Face value	Number of instruments		Amount (Rupees in lakhs)	
		As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>a) Investment in Equity shares ( unquoted) (Fully paid up)</b>					
<b>(i) Investment in subsidiaries ( Trade)</b>					
Intime Equities Limited	Rs.10	16,650,000	16,650,000	3,769.70	3,769.70
Intime Multy Commodity Company Limited	Rs.10	3,000,000	3,000,000	300.00	300.00
Fortune Credit Capital Limited	Rs.10	34,600,000	27,600,000	6,930.00	4,830.00
ITI Investment Advisors Limited	Rs.10	600,000	600,000	60.00	60.00
Fortune Integrated Asset Finance Limited	Rs.10	4,500,000	3,000,000	4,162.50	300.00
Fortune Integrated Home Finance Limited	Rs.10	250,000	250,000	25.00	25.00
Antique Stock Broking Limited	Rs.10	35,000,000	26,666,666	3,700.00	1,200.00
Inga Capital Private Limited	Rs.10	4,768,022	-	685.63	-
<b>(ii) others ( Non Trade)</b>					
BSE Limited	Re.1	70,694	70,694	0.05	0.05
<b>TOTAL</b>				<b>19,632.88</b>	10,484.75
<b>b) Investment in Preference shares (unquoted) (Fully paid )</b>					
<b>Investment in subsidiary ( Trade)</b>					
Intime Equities Limited ( subsidiary)					
10% Redeemable cumulative preference shares	Rs.10	500,000	500,000	50.00	50.00
12.50% Redeemable cumulative preference shares	Rs.10	900,000	900,000	90.00	90.00
<b>TOTAL</b>				<b>140.00</b>	140.00
<b>c) Investment in optionally convertible debentures (unquoted) (Fully paid )</b>					
<b>In subsidiary ( Trade)</b>					
Inga Capital Private Limited	Rs.10	500,000	-	50.00	-
<b>TOTAL</b>				<b>19,822.88</b>	10,624.75

(Aggregate amount of unquoted investments Rs. 19,822.88 lakhs (Previous year Rs.10,624.75 lakhs)

10 DEFERRED TAX ASSETS (NET)

	(Rupees in lakhs)	
	As at 31-Mar-15	As at 31-Mar-14
Provision for employee benefits	2.43	10.34
Related to fixed assets	8.79	8.43
<b>TOTAL</b>	<b>11.22</b>	18.77



## Notes forming part of financial statements for the year ended March 31, 2015

## 11 LOANS AND ADVANCES

(Rupees in lakhs)

	Long term		Short term	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>				
Security Deposits	102.83	1,018.21	14.70	-
Loans and advances to related parties	-	-	405.50	2,245.73
Loans to employees	-	2.77	3.07	2.20
Prepaid expenses	-	-	-	-
Advance for investments (Includes Nil (Previous year Rs. 2,500 lakhs ) for investment in a subsidiary)	-	-	741.14	3,200.50
Advance tax and tax deducted at source (Net)	192.50	137.02	-	-
Advance recoverable in cash or kind or for value to be received	-	-	14.07	95.90
Advances to related parties	-	-	38.02	5.62
<b>TOTAL</b>	<b>295.33</b>	<b>1,158.00</b>	<b>1,216.50</b>	<b>5,549.95</b>

Loans to employee include Rs.2.85 lakhs (Previous year Rs.4.45 lakhs) due from officer of the Company

## 12 OTHER ASSETS

(Rupees in lakhs)

	Long term		Short term	
	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured , considered good</b>				
Interest accrued on fixed deposits	-	-	-	99.68
Other receivables	-	-	0.14	-
Interest receivable from related parties	-	-	181.83	-
<b>Unamortised expenditure</b>				
Miscellaneous expenditure	-	1.03	-	0.36
<b>TOTAL</b>	<b>-</b>	<b>1.03</b>	<b>181.97</b>	<b>100.04</b>

## 13 TRADE RECEIVABLES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Unsecured, considered good</b>		
Outstanding for a period not exceeding six months	-	120.00
<b>TOTAL</b>	<b>-</b>	<b>120.00</b>



Notes forming part of financial statements for the year ended March 31, 2015

14 CASH AND BANK BALANCES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
<b>Cash and cash equivalents</b>		
Balances with banks		
Bank balances		
In current accounts	28.22	16.81
Cash on hand	0.36	0.38
<b>Other Bank balances</b>	28.58	17.19
Deposits with original maturity for more than 3 months but less than 12 months	-	1,349.49
Unclaimed dividend account	19.34	21.06
	<b>19.34</b>	1,370.55
<b>TOTAL</b>	<b>47.92</b>	1,387.74

15 REVENUE FROM OPERATIONS

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Advisory / Consultancy income	60.00	279.26
Interest on fixed deposits	14.87	124.52
Net gain on sale of investments (net)	85.08	-
<b>TOTAL</b>	<b>159.95</b>	403.78

16 OTHER INCOME

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Interest	352.82	232.56
Exchange gain	-	0.17
Dividend income	2.83	2.83
Provision for doubtful debts written back	-	9.76
Profit on sale of assets (Net)	0.02	-
Miscellaneous income	1.67	179.55
Sundry balances written back	1.53	-
<b>TOTAL</b>	<b>358.87</b>	424.87

17 EMPLOYEE BENEFIT EXPENSES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Salaries , bonus and allowances	50.40	156.51
Contributions to gratuity, provident and other funds	10.90	6.83
Staff welfare expenses	1.36	1.36
<b>TOTAL</b>	<b>62.66</b>	164.70



## Notes forming part of financial statements for the year ended March 31, 2015

### 18 FINANCE COST

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Interest expenses	190.44	370.56
Bank charges	1.77	0.30
<b>TOTAL</b>	<b>192.21</b>	<b>370.86</b>

### 19 OTHER EXPENSES

(Rupees in lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Service Charge	75.00	26.05
Net loss on sale of investments	-	1.39
Other operational expenses	3.03	6.43
Rent	43.32	41.72
Rates and taxes	0.73	0.19
Printing and stationery	1.52	2.00
Travelling and conveyance expenses	1.99	23.49
Motor vehicle expenses	3.25	12.88
Electricity charges	14.05	16.86
Communication expenses	10.77	12.81
Advertisement expenses	1.56	1.52
Legal and professional fees	18.55	35.89
Auditors' remuneration ( Refer note 23 )	5.46	4.39
Repairs and maintenance	3.70	14.93
Newspapers, books and periodicals	0.23	3.85
Membership and subscription	0.06	21.00
Business promotion expenses	14.99	16.41
Insurance	-	0.46
Donation	-	0.03
Loss on sale of Assets	-	0.07
Director' sitting fees	5.80	4.80
Bad debts written off	-	10.90
Computer Software Charges	10.58	25.14
Preliminary expenses written off	31.99	0.36
Miscellaneous expenses	0.61	11.00
<b>TOTAL</b>	<b>247.19</b>	<b>294.57</b>

### 20 Segment reporting

The Company is primarily engaged in the business of financial advisory and consultancy services. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India.



**Notes forming part of financial statements for the year ended March 31, 2015**

**21 Related party Transactions**

Details of the related parties with whom transactions were carried out during the year alongwith a description of the relationship and the amounts involved are provided below.

**a) Names of related parties and nature of relationship**

**i) Related parties where control exists**

Intime Equities Limited	Subsidiary
Fortune Credit Capital Limited	Subsidiary
Intime Multi Commodity Company Limited	Subsidiary
Fortune Integrated Assets Finance Limited	Subsidiary
ITI Investment Advisors Limited	Subsidiary
Fortune Integrated Home Finance Limited	Subsidiary
Antique Stock Broking Limited	Subsidiary
Inga Capital Private Limited ( w.e.f. 26-02-2015)	Subsidiary
ITI Financial Services Limited ( w.e.f. 16-10-2014)	Step down subsidiary
ITI Investor Services Limited ( w.e.f. 16-10-2014)	Step down subsidiary
Neue Allianz Corporate Services Pvt. Ltd. (w.e.f. 26 - 02 -2015)	Step down subsidiary

**ii) Key management personnel and their relatives**

Mr. Chintan V. Valia	Director
Mr Nimish C Shah (up to 10-04-2014)	Managing Director
Ms.Khyati Valia (w.e.f. 25-03-2015)	Director
Mr. Yashpal Madan	Manager
Mr. Muthu Kummar	Chief Financial Officer

**b) Details of transactions with related parties referred to above**

(Rupees in lakhs)

Nature of Transactions	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total
<b>Brokerage paid</b>				
Intime Equities Limited	-	-	-	-
	(0.51)	(-)	(-)	(0.51)
<b>Rent</b>				
Intime Equities Limited	-	-	-	-
	(-)	(13.85)	(-)	(13.85)
Mehra Capital Services Private Limited	-	-	-	-
	(-)	(13.70)	(-)	(13.70)
Fortune Capital Services	-	-	-	-
	(-)	(14.17)	(-)	(14.17)
<b>Remuneration</b>				
Mr. Nimish C Shah	-	-	<b>27.67</b>	<b>27.67</b>
	(-)	(-)	(42.65)	(42.65)
Others	-	-	<b>3.96</b>	<b>3.96</b>
	(-)	(-)	(-)	(-)
<b>Interest paid</b>				
Intime Equities Limited	<b>16.64</b>	-	-	<b>16.64</b>
	(24.82)	(-)	(-)	(24.82)



## Notes forming part of financial statements for the year ended March 31, 2015

(Rupees in lakhs)

Nature of Transactions	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total
Others	<b>0.29</b> (-)	- (-)	- (-)	<b>0.29</b> (-)
<b>Interest charged</b>				
Fortune Integrated Assets Finance Limited	<b>124.91</b> (12.21)	- (-)	- (-)	<b>124.91</b> (12.21)
Fortune Credit Capital Limited	<b>67.38</b> (3.51)	- (-)	- (-)	<b>67.38</b> (3.51)
Others	<b>82.91</b> (-)	- (-)	- (-)	<b>82.91</b> (-)
<b>Investment in equity shares of subsidiaries</b>				
Fortune Credit Capital Limited	<b>2,100.00</b> (-)	- (-)	- (-)	<b>2,100.00</b> (-)
Fortune Integrated Assets Finance Limited	<b>3,862.50</b> (75.00)	- (-)	- (-)	<b>3,862.50</b> (75.00)
Antique Stock Broking Limited	<b>2,500.00</b> (1,200.00)	- (-)	- (-)	<b>2,500.00</b> (1,200.00)
Inga Capital Private Limited	<b>685.63</b> (-)	- (-)	- (-)	<b>685.63</b> (-)
<b>Advance for investments</b>				
Antique Stock Broking Limited	- (2,500.00)	- (-)	- (-)	- (2,500.00)
<b>Loans given</b>				
Fortune Credit Capital Limited	<b>4,200.98</b> (1,700.00)	- (-)	- (-)	<b>4,200.98</b> (1,700.00)
Fortune Integrated Assets Finance Limited	<b>7,932.20</b> (1,195.52)	- (-)	- (-)	<b>7,932.20</b> (1,195.52)
Intime Equities Limited	<b>1,418.00</b> (-)	- (-)	- (-)	<b>1,418.00</b> (-)
Antique Stock Broking Limited	<b>2,500.00</b> (-)	- (-)	- (-)	<b>2,500.00</b> (-)
Others	<b>3,921.50</b> (-)	- (-)	- (-)	<b>3,921.50</b> (-)
<b>Loans taken</b>				
Intime Equities Limited	<b>4,846.63</b> (2,616.63)	- (-)	- (-)	<b>4,846.63</b> (2,616.63)
Others	<b>20.00</b> (74.98)	- (-)	- (-)	<b>20.00</b> (74.98)



Notes forming part of financial statements for the year ended March 31, 2015

(Rupees in lakhs)

Nature of Transactions	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total
<b>Outstanding as on March 31</b>				
<b>Loans receivable</b>				
Fortune Integrated Asset Finance Limited	<b>405.50</b>			<b>405.50</b>
	(947.45)	(-)		(947.45)
<b>Others</b>	-	-	-	-
	(1,298.28)	(-)	(-)	(1,298.28)
<b>Loans payable</b>				
Intime Equities Limited	-	-	-	-
	(413.81)	(-)	(-)	(413.81)
<b>Deposit receivable</b>				
Fortune Capital Services	-	-	-	-
	(-)	(14.70)	(-)	(14.70)
<b>Fixed deposits pledged for overdraft facility of subsidiary</b>				
Intime Equities Limited	-	-	-	-
	(1,349.49)	(-)	(-)	(1,349.49)
<b>Other advances</b>				
Others	<b>38.02</b>	-	-	<b>38.02</b>
	(5.62)	(-)	(-)	(5.62)
<b>Other receivables</b>				
Others	<b>181.83</b>	-	-	<b>181.83</b>
	(-)	(-)	(-)	(-)
<b>Advance against investments</b>				
Antique Stock Broking Limited	-	-	-	-
	(2,500.00)	(-)	(-)	(2,500.00)
<b>Guarantees given</b>				
Intime Equities Limited	<b>15,543.75</b>	-	-	<b>15,543.75</b>
	(11,193.75)	(-)	(-)	(11,193.75)
Fortune Integrated Asset Finance Limited	<b>13,000.00</b>	-	-	<b>13,000.00</b>
	(-)	(-)	(-)	(-)
Antique Stock Broking Limited	<b>5,000.00</b>	-	-	<b>5,000.00</b>
	(-)	(-)	(-)	(-)
Intime Multi Commodity Company Limited	<b>292.50</b>	-	-	<b>292.50</b>
	(292.50)	(-)	(-)	(292.50)

Note: Figures in brackets represent previous year figures



## Notes forming part of financial statements for the year ended March 31, 2015

### 22 Disclosure as per accounting standard 15 "Employee Benefits"

Benefit plan for gratuity as per actuarial valuation certificate

	Rupees in lakhs)	
	2014-2015	2013-2014
<b>Change in present value of defined benefit obligation</b>		
Liability at the beginning of the year	30.61	74.23
Interest cost	2.86	6.12
Current service cost	1.86	4.42
Liability transferred in	-	-
Benefit Paid	(31.93)	(33.31)
Actuarial (gain)/loss on obligations	6.23	(20.85)
Liability at the end of the year	9.63	30.61
<b>Change in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	38.26	33.37
Expected return on plan assets	3.33	2.90
Contributions	33.18	5.97
Fund Transfer in	(31.10)	31.10
Benefit paid	(31.93)	(33.31)
Actuarial gain/(loss) on plan assets	(1.97)	(1.77)
Fair value of plan assets at the end of the year	9.77	38.26
<b>Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	(0.14)	(30.62)
Fair value of plan assets at the end of the year	9.77	38.26
Difference	9.63	7.64
Amount recognised in the balance sheet	(0.14)	7.64
<b>Expenses recognised in the Statement Profit and Loss Account</b>		
Current service cost	1.85	4.42
Interest cost	(0.47)	6.12
Expected return on plan assets	-	(2.90)
Actuarial gain / (loss)	8.20	(19.08)
Expense recognised in the Statement of Profit and Loss	9.58	(11.44)
<b>Actuarial Assumptions</b>		
Discount rate ( per annum)	7.90%	9.33%
Rate of return on plan assets (per annum)	7.90%	8.70%
Attrition rate ( per annum)	2.00%	2.00%
Salary escalation ( per annum)	5.00%	5.00%

### 23 Payment to auditors

	(Rupees in lakhs)	
	2014-2015	2013-2014
Statutory audit	2.50	2.50
Tax audit	0.90	-
Certification and other matters	2.06	1.89





Notes forming part of financial statements for the year ended March 31, 2015

<b>TOTAL</b>	<b>5.46</b>	4.39
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**24 Operating Lease**

The Company has taken office premises under operating lease . These agreements provide an option to the Company to renew the lease period on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The rental expense in respect of the operating leases, recognised in the Statement of Profit and Loss as "Rent" in Note "19" is Rs. 43.32 lakhs (previous year Rs.41.72 lakhs). Details of the minimum lease payments for the operating leases are provided hereunder:

	(Rupees in lakhs)	
	2014-2015	2013-2014
Not later than one year	49.44	-
Later than one year but not later than five years	98.87	-
Later than five years	-	-

**25 Earnings Per Share**

Basic and diluted earnings per share computed in accordance with Accounting Standard 20 (AS-20) "Earning Per Share"

	2014-2015	2013-2014
<b>Basic</b>		
Number of equity shares at the beginning of the year	12,879,290	12,879,290
Addition during the year	15,466,700	-
Number of equity shares at the end of the year	28,345,990	12,879,290
Weighted average number of equity shares	27,922,245	13,032,715
Net profit after tax (Rupees in lakhs)	1.72	(24.06)
Basic earning per equity share of Rs.10 each (Rupees)	0.01	(0.19)
<b>Diluted</b>		
Number of equity shares at the beginning of the year	12,879,290	12,879,290
Dilutive effect of outstanding equity shares	-	153,425
Addition during the year	15,466,700	-
Number of equity shares at the end of the year	28,345,990	13,032,715
Weighted average number of equity shares	27,922,245	13,032,715
Net profit after tax (Rupees in lakhs)	1.72	(24.06)
Basic earning per equity share of Rs.10 each (Rupees)	0.01	(0.18)

**26 Contingent Liabilities and Capital Commitments ( to the extent not provided for)**

- a) Fixed deposits of the Company pledged with a bank for overdraft facility of a subsidiary Nil ( Previous year Rs.1,349.49 lakhs)
- b) Guarantee given by the banks on behalf of Fortune Group in respect of capital adequacy, daily margin and other contractual commitments for capital market operations of its subsidiaries is Rs.5,843.75 lakhs ( Previous year Rs.6,786.25 lakhs)  
Corporate guarantee issued in favour of a banks to secure credit facilities sanctioned by the banks to subsidiary companies Rs.28,000 lakhs ( Previous year Rs.6500 lakhs)
- c) Claims not acknowledged by the Company relating to Income Tax Rs. 37.97 lakhs ( Previous year Rs.12.36 lakhs)

**27 Disclosure required under clause 32 of the Listing Agreement**

Loan and advances in the nature of loans given to subsidiary companies

	(Rupees in lakhs)	
Name of subsidiary company	Outstanding as at March 31, 2015	Maximum outstanding during the year
Fortune Integrated Assets Finance Limited	405.50	2,986.91
Fortune Credit Capital Limited	-	1,703.17



Antique Stock Broking Limited

-

2,500.00

- 28** There are no amounts payable to any micro, small and medium enterprises as identified by the management from the information available with the Company and relied upon by auditors.
- 29** In the opinion of the Management, the value of all Current Assets, Loans and Advances and other receivables is not less than their realisable value in the ordinary course of business.
- 30** Balances standing in debtors, creditors and loan and advances are subject to confirmation.
- 31** Previous year's figures are reworked, regrouped, rearranged and reclassified wherever necessary, to conform to the current year's classification.

As per our Report of even date

**For and on behalf of the Board**

**For S.H. BATHIYA & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.101046W / W100063

**Umesh B Lakhani**

Partner

Membership No.044981

Mumbai, May 12, 2015

**Chintan V Valia**

Director

(DIN :05333936)

**Khyati C Valia**

Director

(DIN:03445571)

**Yashpal Madan**

Manager

**S. G. Muthu Kummar**

Chief Financial Officer

**Haroon Mansuri**

Company Secretary



## NOTICE

Notice is hereby given that the **Twenty Fourth** Annual General Meeting of the members of **Fortune Financial Services (India) Limited** will be held on **Thursday, 13th August, 2015 at 11.00 a.m. at Naman Midtown, "A" Wing, 20th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013** to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date along with the schedules and the reports of the Directors and Auditors thereon and the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr. Chintan V. Valia holding DIN 05333936 who retires by rotation at this annual general meeting and being eligible, offers himself for re-appointment.
3. To appoint auditors and in this regard to consider and if thought fit to pass with or without modifications the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), pursuant to recommendations made by the audit committee of the Board of Directors and pursuant to the resolution passed by the members in the last annual general meeting held on 22nd September, 2014 the appointment of M/s. S. H. Bathiya & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 101046W/W100063), as statutory auditors of the Company to hold office till the conclusion of twenty eighth annual general meeting be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the statutory auditors."

### SPECIAL BUSINESS:

#### 4. Appointment of Ms. Khyati Valia as a Director of the Company.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** Ms. Khyati Chintan Valia, (DIN : 03445571) who was appointed as an Additional Director of the Company by the Board of Directors on 25th March, 2015, pursuant to Sections 160, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Article 96 of the Articles of Association of the Company, who holds office only up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

#### 5. Payment of remuneration to Mr. Yashpal Madan - Manager under the Companies Act.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** consent of the members be and is hereby accorded, pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("the Act") and such other applicable provisions, if any, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 for the payment of remuneration to Mr. Yashpal Madan who was appointed as a Manager under the Companies Act w. e. f. 4th February, 2014 for a period of 3 (three) years on the terms and conditions, set out in the agreement between the Company and Mr. Yashpal Madan produced at this meeting and, for the purpose of identification, initialled by the Chairman.

**RESOLVED FURTHER THAT** the Board of Directors ("the Board") be and is hereby authorized to execute this Agreement in terms of the said draft with such alterations, changes and/or variations as may be agreed between the Board and Mr. Yashpal Madan provided that the same shall be in accordance with the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper."

#### 6. Alteration of Memorandum of Association for inserting the new object clause.

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

**RESOLVED THAT** pursuant to Section 13 read with the applicable rules of the Companies (Incorporation) Rules, 2014 and any other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the following shall be inserted after serial number 1 of the main object clause of the memorandum of Association of the Company

**RESOLVED FURTHER THAT** the existing Clause III of the Memorandum of Association of the Company be altered by inserting the following new sub-clause after serial number 1 and the remaining sub clauses to be re numbered after serial number 2 :

*To promote, establish, manage, organise, handle, operate or float an asset management company to manage all types and kinds of assets of Mutual Funds in India or abroad in all its branches whether open ended or close ended or other schemes as may be approved by the Securities and Exchange Board of India or other authorities from time to time under the prevailing laws, rules, regulations and guidelines.*

#### 7. Loans and Investments by Company under Section 186 of the Companies Act, 2013.

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

**RESOLVED THAT** pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules 11 & 12 of the Companies (Meetings of the Board and its Powers) Rules, 2014 made there under and subject to such approvals, consents, permissions, and sanctions of the appropriate authorities as may be necessary and subject to such conditions and modifications as may be prescribed and imposed by such authorities while granting such approvals, consents, permissions, and sanctions, consent of the shareholders be and is hereby accorded to make loans to any person or body corporate through various means including Deposits, Commercial papers, Bonds and Debentures or in any other manner, and/or give guarantee / provide security in connection with loan to any body corporate or person and/or acquire by way of subscription, purchase or otherwise the securities of any body corporate up to a limit which (including the amount of loans, guarantees, securities and investments already made) shall not exceed Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores only), notwithstanding that the aggregate of the loans so far made or



to be made and/or guarantee so far given or to be given and/or securities so far provided or to be provided and /or securities so far acquired or to be acquired may exceed the limit of sixty percent of the aggregate of the paid capital and Free Reserves and Securities Premium Account or one hundred percent of the Free Reserves and Securities Premium Account of the Company whichever is more.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of or incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the Company and also to delegate all or any of the above powers to Committee of Directors of the Company and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution and the matters related thereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary for the purpose and to settle any doubt which may arise in respect of such loans, investments and guarantees to be given as aforesaid, and further to do all such acts, deeds and things and to execute all such documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

#### **8. Amendment(s) to Memorandum of Association of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of section 13 of Companies Act, 2013 ('the Act'), read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the consent of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by deleting **Clause C – OTHER OBJECTS** and accordingly Memorandum of Association will no longer carry Other Objects.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. Chintan V. Valia, Director and Mr. Haroon Mansuri, Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

#### **9. Adoption of new set of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013.**

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

**"RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. Chintan V. Valia, Director and Mr. Haroon Mansuri, Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

#### **10. Related party transaction.**

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

**"RESOLVED THAT** pursuant to the provisions of section 188 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014 and subject to the approvals as may be required from the concerned regulatory authorities, the consent of the Company be and is hereby accorded to the Board of Directors for entering into related party transactions by the Company for acquiring by way of subscription or from the existing shareholders of Fasttrack Housing Finance Private Limited ("Fasttrack") up to 40% of the paid up capital of Fasttrack at a price not exceeding book value as may be determined by the said company.

**RESOLVED FURTHER THAT** to give effect to this Resolution the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any agreements, documents and writings related thereto."

**By Order of the Board of Directors**

**Haroon Mansuri**  
Company Secretary

**Mumbai, 16th July, 2015**

**Fortune Financial Services (India) Limited**

**Registered Office:**

Naman Midtown "A" Wing, 21st Floor, Unit No. 2103

Senapati Bapat Marg, Elphinstone Road

Mumbai 400 013

CIN: L65910MH1991PLC062067

Email: cosecretary@ffsil.com

Website: www.fortune.co.in



**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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the time of the meeting.
3. The register of members and the share transfer books of the Company will remain closed from 8th August, 2015 to 13th August, 2015 (both days inclusive).
4. The annual report containing stand-alone accounts & consolidated accounts for the financial year ended March 31 2015 together with the reports of Auditors and Directors Report and notice of the ensuing AGM and accounts of the subsidiary companies are available on Company's website, [www.fortune.co.in](http://www.fortune.co.in)

**5. Members are requested to:**

- immediately, intimate change of address, if any, to the Company, quoting reference of their registered folio number or client DP ID No.;
  - produce the attendance slip at the entrance of the meeting hall;
  - bring the copy of the Annual Report to the venue of the meeting; and
  - write to the Company at least 10 days in advance of the annual general meeting for any information about accounts.
- 6.** In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrar and Transfer Agent, Purva Shareregistry (India) Private Limited, under the signature of the sole/first joint holder, the following information to be incorporated on dividend warrants:
- a. Name of the sole/first joint holder and Folio number
  - b. Particulars of bank account viz.
    - i. name of the bank,
    - ii. name of the branch,
    - iii. Complete address of the branch with pin code,
    - iv. Account type, whether saving account (SB) or current account (CA) and bank account number.

**7. Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing the Companies the paperless compliance and the said ministry has issued a circular stating that the service of notice / documents including annual reports can be sent by e mail to the members.

In order to abide by the circular, the members are requested to register their e mail address, to enable the Company to send reports by e mail. The members holding shares in demat form may register their e mail address with the respective DPs and the members who holds the shares in physical form are requested to register their e mail with the Company or Registrar & Share Transfer Agent. This will enable the Company to send the annual reports by e mail.

**8 Voting through electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting to be held on Thursday, 13th August, 2015 at 11.00 a. m.

The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com)

**(A) Procedure/ Instructions for e-voting are as under:**

- (a) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (b) Now click on "Shareholders" to cast your votes.
- (c) Fill up the following details in the appropriate boxes:

(i) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(ii) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(iii) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (d) After entering these details appropriately, click on "SUBMIT" TAB.  
Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (e) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (f) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (g) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (h) Click on the EVSN for the FORTUNE FINANCIAL SERVICES (INDIA) LIMITED on which you choose to vote.
- (i) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (j) Click on the "RESOLUTION FILE" Link if you wish to view the entire AGM Notice.
- (k) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (l) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (m) You can also take out print of the voting done by you by clicking on "CLICK HERE TO PRINT" option on the Voting page.
- (n) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Thursday, 6th August, 2015 at 11.00 a.m.

**(B) General:**

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period commences on Saturday, 8th August, 2015 (9.00 a.m.) and ends on Monday, 10th August, 2015 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) on Friday, 7th August, 2015, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cutoff date of Friday, 7th August, 2015.
- (e) C.S. Dinesh Kumar Deora, Company Secretaries, Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the



presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Director of the Company.

- (g) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fortune.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**9. The Notice of the 24th Annual General Meeting and instructions for e-voting along with Assent / Dissent Form, Attendance Slip and Proxy Form are being sent by Post.**

**Explanatory statements pursuant to section 102 of the Companies Act, 2013:**

**Item Nos. 4 of the Notice**

Pursuant to provisions of Sections 162, 161 and other applicable provisions of the Companies Act, 2013, and Article 96 of the Articles of Association of the Company, Ms. Khyati C. Valia (DIN : 03445571) was appointed as an Additional Director of the Company by the Board of Directors through Circular Resolution passed on 25th March, 2015. Being an Additional Director of the Company, she holds office only up to the date of this Annual General Meeting. The Company has received a notice together with a Deposit of Rs. 1,00,000 (Rupees One Lakh only) from one of the members of the Company signifying his intention to propose candidature of Ms. Khyati C. Valia (DIN : 03445571) as a Director of the Company liable to retire by rotation.

Ms. Khyati C. Valia (DIN : 03445571) has done the course of Family Business Management from S. P. Jain Institute and a BDS (Dentist). She has experience of around six years in the field of marketing and planning.

The Board recommends the Ordinary Resolution for approval of the members.

None of the Directors other than Ms. Khyati C. Valia (DIN : 03445571) and Mr. Chintan V. Valia (DIN : 05333936) who is a relative of Ms. Khyati C. Valia may be deemed to be concerned or interested in passing of the resolution at item no. 4 of the Notice.

**Item Nos. 5 of the Notice**

The shareholders of the Company in the Annual General Meeting held on 22nd September, 2014 have approved the appointment of Mr. Yashpal Madan as a Manager under the Companies Act for the period of three years commencing from 4th February, 2014 save and except for reimbursement of expenses, no remuneration is payable to the Manager till the Board further decides.

The Board of Directors in its meeting held on 29th January, 2015 have approved the payment of remuneration to the Manager which has been recommended by the remuneration committee.

**The material terms, including remuneration, of the said agreement are as follows:**

**A. Period:** 3 (three) years from 4th February, 2014.

**B. Remuneration:**

1. Rs. 16,00,000/- per year payable monthly/half yearly as per policy of the Company
2. Performance Award/Additional Bonus as may be decided by the Board;
3. Benefit of the Company's Provident Fund Scheme together with the benefit of any Superannuation/Annuity Fund or Scheme which the Company may introduce in future;
4. Gratuity in accordance with the rules of the company but not exceeding one month's salary for each completed year of service;
5. 18 days' privilege leave with full pay and allowances for each completed year of service, the said leave being accumulatable and encashable in accordance with the rules of the Company 6 days casual leave and 6 days sick leave as per policy of the Company;

**C. Other Terms:**

He shall not, without Board approval, engage himself in any other business, occupation or employment competing with the Company's business. He shall not divulge or disclose any confidential information or knowledge as to the business or affairs of the company.

The appointment and the payment of remuneration as above stated will not require approval of the Central Government in terms of provisions of Section 197 and 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, as amended up to date.

Your Directors are of the view that in view of, inter alia, their knowledge, business acumen, expertise, and experience the appointment of Mr. Yashpal Madan will be in the interest of the company and its shareholders and, accordingly, commend the resolutions at item no. 6 for your acceptance.

Mr. Yashpal Madan is a commerce graduate and a member of the Institute of Company Secretaries of India (ICSI), having experience of over 25 years in the field of financial services. His core acumen lies in BSFI Domain, Investment Banking, Broking and NBFC activities.

The draft Agreement between the Company and Mr. Yashpal Madan referred to in the resolution, is available for inspection of members at the registered office of the company during the Company's normal business hours on all working days (except Saturdays).

None of the other Directors is concerned or interested in the resolutions at item no.5 of the Notice.

An abstract of the contract between the company and Mr. Yashpal Madan together with the memorandum of interest pursuant to Section 190 of the Companies Act, 2013, has already been circulated to the members.

**Item No. 6 of the Notice**

The Members are hereby informed that the currently the Company carries on the advisory activities as per main Object Clause of the Memorandum of Association of the Company (MoA). However, specific clause, to commence the mutual fund business/activities is incorporated in the Main Object Clause.

It may be noted that the alterations are in the nature of additions and consolidation of the current clauses and that the scope of the existing clauses remain as before.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.



Your Directors recommend the passing of the resolution as set out in item no. 6 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the passing of the resolution at item No. 6 of the Notice.

**Item No. 7 of the Notice**

The investments, guarantees and securities are made/proposed to be made out of own/surplus funds, internal accruals/ borrowed funds and the objective of which is optimum utilization of available funds of the Company and also to achieve the long term strategic and business objectives. The investments, guarantees and securities will be made on the terms and conditions most beneficial to the Company at the prevailing market rates.

As a measure of achieving financial flexibility and to enable optimal financing structure, it is therefore proposed that a fresh resolution be place before the shareholders for their consent and approval is sought in accordance with the provisions of Section 186 of the Companies Act, 2013 for upward limit of Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores only)

As per the provisions of Section 186 of the Companies Act, 2013, the Company can make any loans, investments or give guarantee or provide securities beyond the prescribed limit of sixty percent of the aggregate of the paid capital and Free Reserves and Securities Premium Account or one hundred percent of the Free Reserves and Securities Premium Account of the Company whichever is more, if the members of the Company have approved the same by passing the special resolution in this regard.

Your Directors recommend the passing of the resolution as set out in item no. 7 of the notice for approval of the members.

None of the Directors, Key Managerial Persons and/or their relatives are concerned or interested whether financially or otherwise in passing of the aforesaid resolution .

**Item No. 8 of the Notice**

As per the provisions of section 4 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 the Memorandum of Association of the Company will no longer carry other objects Clause. However, the existing Memorandum of Association of the Company carries other objects Clause. In order to comply with section 4 of the Act, it is proposed to alter Memorandum of Association of the Company by deleting Clause C – OTHER OBJECTS and accordingly Memorandum of Association will no longer carry other objects.

The Act provides that resolution for amending Memorandum has to be done via Postal Ballot only. Hence your approval is sought by voting via Postal Ballot/e-Voting in terms of the provisions of Section 13 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

Your Directors recommend the passing of the resolution as set out in item no. 8 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

**Item No. 9 of the Notice**

The Articles of Association (“AoA”) of the Company is presently in force since its incorporation of the Company in the year 1991. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 (‘New Act’). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association of the Company by adopting a new set of Articles. (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on May 12, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders’ approval for the same. In terms of sections 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your approval is sought by voting via Postal Ballot/e-Voting in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

Your Directors recommend the passing of the resolution as set out in item no. 9 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

**Item No. 10 of the Notice**

Transaction with related parties u/s. 188 of the Companies Act, 2013.

The provisions of Section 188(1) of the Companies Act, 2013 (hereinafter referred to as the “Act”) that govern the following related party transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a Company is Rs. 10 Crores or more, the prior approval of shareholders by way of a Special Resolution:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

The provisions of section 188(3) provide that any contract or arrangement entered into u/s. 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.





In the light of provisions of the Act, the Board of Directors of your Company has proposed transaction for acquiring equity stake up to 40% of the paid up capital of the Fasttrack for an amount not exceeding the book value of the equity shares of Fasttrack and that your Company may enter into transactions with its related party (as defined under the Act).

All prescribed disclosures as required to be given under the provisions of the Act and the Companies (Meeting of Board and its Powers) Rules, 2014 are given here in below for kind perusal of the members:

1. Name of the related party: Fasttrack Housing Finance Private Limited and its existing shareholders
2. Name of Directors or KMP who is related: Mr. Chintan Valia and Ms. Khyati Valia (Directors)
3. Nature of Relationship: Relatives of Mr. Chintan Valia and Ms. Khyati Valia (Directors) are members in Fasttrack Housing Finance Private Limited and their relatives are part of the promoter group of the Company.

4. Nature, material terms, monetary value, particulars of the contract or arrangement:

Acquisition of up to 40% equity share capital of Fasttrack amounting not more than book value of equity shares of Fasttrack Housing Finance Private Limited by way of subscribing to the new equity shares to be issued by Fasttrack and/or acquiring from the existing shareholders of Fasttrack Housing Finance Private Limited in which Ms. Khyati Valia, Director of the Company are related, at price not less than book value as may be determined by Fasttrack Housing Finance Private Limited per equity share by entering into a share subscription agreement or share purchase agreement as the case may be.

5. Any other matter : Fasttrack has received registration certificate from the National Housing Bank (NHB) to carry on the business of housing finance. The Company is planning to invest in such company up to 40% of the paid up capital of Fasttrack out of the available surplus funds of the Company.

The investment will be made by the Company based on the book value derived at by their Statutory Auditors on transaction date.

Members are hereby informed that pursuant to second provision of section 188(1) of the Companies Act, 2013 no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board meeting held on 12th May, 2015 and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Your Directors recommend passing of the resolution as set out in item no. 10 of the notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company except for Mr. Chintan Valia and Ms. Khyati Valia, Directors of the Company are deemed to be concerned or interested in passing of the resolution at item no. 10 of the Notice.

**By Order of the Board of Directors**

**Haroon Mansuri**  
**Company Secretary**

**Mumbai, 16th July, 2015**

**Fortune Financial Services (India) Limited**

**Registered Office:**

Naman Midtown "A" Wing, 21st Floor, Unit No. 2103

Senapati Bapat Marg, Elphinstone Road

Mumbai 400 013

CIN: L65910MH1991PLC062067

Email: cosecretary@ffsil.com

Website: www.fortune.co.in

**Details of Directors seeking appointment/re- appointment at the ensuing annual general meeting**

(In pursuance of Clause 49 of the listing agreement)

1.	Name of Directors	Chintan V. Valia (DIN : 05333936)	Khyati C. Valia (DIN : 03445571)
2.	Date of Birth	15th March, 1983	14th January, 1983
3	Date of appointment on the Board	25th March, 2013	25th March, 2015
4	Qualifications	ACA & MBA (IIM Bangalore)	BDS & MBA in Family Business from S. P. Jain Institute
5	Expertise	He has the experience of about five years in capital market, investment banking and FMCG industry.	She has experience of around six years in the field of marketing, and planning.
6	Directorships held in other public companies (excluding Foreign and section 25 companies.)	<ol style="list-style-type: none"> <li>1. Intime Equities Limited</li> <li>2. Intime Multi Commodity Company Limited</li> <li>3. Fortune Credit Capital Limited</li> <li>4. ITI Investment Advisors Limited</li> <li>5. Fortune Integrated Home Finance Limited</li> <li>6. Fortune Integrated Assets Finance Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Vision Finstock Limited</li> <li>2. Suraksha Developers Limited</li> <li>3. Jaankie And Sadguru Developers Limited</li> <li>4. Finetrade Exports Limited</li> </ol>
7	Chairman/Member of the Committee of Board of Directors of the Company.	Chairman : Nil Member : <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination &amp; Remuneration Committee</li> <li>3. Stakeholders Relationship Committee</li> <li>4. Risk Management Committee</li> <li>5. Internal Finance Committee</li> </ol>	Nil
8	Membership in committees in other public companies (considered only Audit Committee and Stakeholders Relationship Committee).	Chairman : Nil Member : Intime Equities Limited <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination &amp; Remuneration Committee</li> </ol> Fortune Credit Capital Limited Chairman : <ol style="list-style-type: none"> <li>1. Investment Committee (NBFC)</li> </ol> Member : <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination &amp; Remuneration Committee</li> <li>3. Grievance Redressal Committee (NBFC)</li> <li>4. ALCO Committee (NBFC)</li> <li>5. Nomination Committee (NBFC)</li> </ol>	
9	No. of shares held		
	a) Own	Nil	Nil
	b) In Trust for other persons having beneficial interest.	Nil	Nil

By Order of the Board of Directors

**Haroon Mansuri**  
Company Secretary

Mumbai, 16th July, 2015

**Fortune Financial Services (India) Limited****Registered Office:**

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**ATTENDANCE SLIP**

**24th Annual General Meeting – 13th August, 2015**

Folio No./ DP ID / Client ID : \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a member / proxy for the member of the Company. I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company at Naman Midtown, "A" Wing, 20th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013 at 11.00 a.m. on Thursday, 13th August, 2015.

.....  
Name of the member / proxy  
**(in BLOCK letters)**

.....  
Signature of member / proxy

**Note :** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

Please tear here

**FORTUNE FINANCIAL SERVICES (INDIA) LIMITED**

Regd. Office : Naman Midtown, "A" Wing, 21st Floor, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.

CIN : L65910MH1991PLC062067 e mail : cosecretary@ffsil.com Website : fortune.co.in

**PROXY FORM**

**24th Annual General Meeting – 13th August, 2015**

Folio No./ DP ID / Client ID : \_\_\_\_\_ No. of shares held \_\_\_\_\_

I/We.....of.....being member(s) of the above named Company, hereby appoint the following as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company at Naman Midtown, "A" Wing, 20th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013 at 11.00 a.m. on Thursday, 13th August, 2015. and at any adjournment(s) thereof :

1. Mr./Ms.....of.....in the district of ..... or failing him / her

2. Mr./Ms.....of.....in the district of .....

Signed this .....day of .....2015.

Signature of members .....



**Note :** This form in order to be effective shall be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.



### Fortune Financial Services (India) Limited

Regd. Office : Naman Midtown. "A" Wing, 21st Floor, Unit No. 2103

Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Tel. : 022 – 4027 3600 ; Fax 022 – 4027 3700

CIN : L65910MH1991PLC062067 e mail : cosecretary@ffsil.com Website : fortune.co.in

#### BALLOT FORM

1. Name(s) & Registered Address of the sole/first named Member :
2. Name(s) of the Joint holder(s), if any :
3. Registered Folio Number/  
DP ID No./Client ID No. \*  
(\*Applicable to investors holding  
Shares in dematerialized form) :
4. Number of Ordinary Share(s) hold :
5. EVEN (e Voting Event Number) :
6. User-ID :
7. Password :
8. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 24th Annual General Meeting (AGM) of the Company to be held on Thursday, 13th August, 2015 by sending my/our assent or dissent to the said Resolutions by placing the tick ( ) mark at the appropriate box below:

Item No.	Description of Resolution	No. of Ordinary shares for which votes cast	(FOR) I/We assent to the resolutions	(AGAINST) I/We dissent to the resolutions
1.	Adoption of Audited Balance Sheet, Statement of Profit and Loss, Report of Board of Directors and Auditors for the year ended March 31, 2015			
2.	Re-appointment of Mr. Chintan V. Valia who retires by rotation at this annual general meeting and being eligible, offers himself for re-appointment as a Director of the company			
3.	Appointment of Statutory Auditors			
4.	Appointment of Ms. Khyati Valia As a Director of the Company			
5.	Payment of remuneration to Mr. Yashpal Madan - Manager under the Companies Act			
6.	Alteration of Memorandum of Association for inserting the new object clause			
7.	Loans and Investments by Company under Section 186 of the Companies Act, 2013			
8.	Amendment(s) to Memorandum of Association of the Company			
9.	Adoption of new set of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013			
10.	Approval for related party transaction for acquisition of equity shares of Fasttrack Housing Finance Private Limited			

Place :

Date :

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(Signature of the Member)

Notes : Please read the instructions carefully before exercising your vote.



**Instructions:**

- 1) This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

**Process and manner for Members opting to vote by using the Ballot Form**

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the company, Dinesh Kumar Deora, Practicing Company Secretary, having Membership No. 5683 at Purva Sharegistry (India) Private Limited, Shivshakti Industrial Estate, Unit No.9, 7/B, Sitaram Mill Compound, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011, in the enclosed postage pre-paid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 3) In case the shares are held by the Companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick ( ) mark in the column provided in the Ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 7th August, 2015 and as per the Register of Members of the Company.
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Monday, 10th August, 2015 (5.30 p.m. IST). Ballot Form received after 10th August, 2015 will be strictly treated as if the reply from the Members has not been received.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 9) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 10) The results declared along with Scrutinizer's Report, shall be placed on the Company's website [www.ffsil.co.in](http://www.ffsil.co.in) and on the website of the Central Depository Services Limited within two days of the passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.







# Fortune Group



- Fortune Financial Services (India) Limited
- Intime Equities Limited
- Intime Multi Commodity Company Limited
- Fortune Credit Capital Limited
- ITI Investment Advisors Limited
- Fortune Integrated Home Finance Limited
- Fortune Integrated Assets Finance Limited
- Antique Stock Broking Limited
- Inga Capital Private Limited
- Neue Allianz Corporate Services Private Limited
- ITI Financial Services Limited
- ITI Investor Services Limited



Book Post

*If undelivered, please return to*



**FORTUNE FINANCIAL SERVICES  
(INDIA) LIMITED**

**Registered Office:**

Naman Midtown "A" Wing, 21st Floor, Unit No. 2103  
Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013  
CIN: L65910MH1991PLC062067  
Email: [cosecretary@ffsil.com](mailto:cosecretary@ffsil.com) • Website: [www.fortune.co.in](http://www.fortune.co.in)