

26th
Annual Report
2016 - 2017

Fortune Financial Services (India) Limited

Passion to Excel !



Fortune
FINANCE GROUP

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Board of Directors

Mr. Chintan Valia	Non Executive Director
Ms. Khyati Valia	Non Executive Director
Mr. Pankaj Bhuta	Independent Director
Mr. Alok Kumar Misra	Additional Independent Director (w. e. f. 6th October, 2016)
Mr. Nishit Dhruva	Independent Director (up to 24th August, 2016)
Ms. Deena Mehta	Independent Director (up to 29th March, 2017)

Committees

Audit Committee

Mr. Pankaj Bhuta	Chairman
Mr. Chintan Valia	Member
Mr. Alok Kumar Misra	Member (w. e. f. 6th October, 2016)
Mr. Nishit Dhruva	Member (up to 24th August, 2016)

Stakeholders Relationship Committee

Mr. Chintan Valia	Chairman
Mr. Pankaj Bhuta	Member
Mr. Alok Kumar Misra	Member (w. e. f. 6th October, 2016)
Mr. Nishit Dhruva	Member (up to 24th August, 2016)

Nomination & Remuneration Committee

Mr. Alok Kumar Misra	Chairman (w. e. f. 6th October, 2016)
Mr. Chintan Valia	Member
Mr. Pankaj Bhuta	Member
Mr. Nishit Dhruva	Chairman (up to 24th August, 2016)

Internal Finance Committee

Mr. Chintan Valia	Chairman
Mr. Pankaj Bhuta	Member
Mr. Alok Kumar Misra	Member (w. e. f. 6th October, 2016)
Mr. Nishit Dhruva	Member (up to 24th August, 2016)



Key Managerial Personnel

Mr. Aalok Dave	Manager (up to 5th October, 2016)
Mr. Prateek Tayal	Manager (w. e. f. 6th October, 2016)
Mr. S. G. Muthu Kumar	Chief Financial Officer

Company Secretary

Mr. Haroon Mansuri

Statutory Auditors

M/s. Bathiya & Associates LLP.
Chartered Accountants

Internal Auditors

M/s. Sandeep R. Maheshwari & Co.
Chartered Accountants

Bankers

Axis Bank Limited
HDFC Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited

Registrar & Share Transfer Agent

Purva Sharegistry (India) Private Limited
(Unit : Fortune Financial Services (India) 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 : +91-22-2301 2517
e-mail : busicomp@gmail.com
purvashare@gmail.com
Website : www.purvashare.com

Registered Office

Naman Midtown, "A" Wing
21st Floor, Unit No. 2103
Senapati Bapat Marg
Elphinstone Road, Mumbai - 400 013
Telephone : +91-22- 4027 3600
Fax : +91-22- 4027 3700
e-mail : cosecretary@ffsil.com
Website : www.fortune.co.in

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the **Twenty Sixth Annual Report** and **Audited Financial Statements** of the Company for the year ended 31st March, 2017.

Financial Results

(₹ in lakhs)

	2016-2017	2015-2016	2016-2017	2015-2016
	Stand-alone		Consolidated	
Total Income	1,786.59	352.52	16,838.41	14,153.11
Profit/(Loss) before depreciation, exceptional item and tax	(166.43)	(52.55)	3,805.45	1,528.02
Depreciation and amortization	5.63	3.67	818.62	845.06
Profit/(Loss) before exceptional item and tax	(172.06)	(56.22)	2,986.83	682.96
Exceptional item	317.98	68.75	257.09	21.40
Profit before tax	145.92	12.53	3,243.92	704.36
Provision for tax				
- Current tax	75.00	1.40	1,242.56	237.98
- Current tax relating to prior years (including MAT credit)	0.53	---	(20.48)	2.43
- Deferred tax	(1.37)	0.24	(53.47)	155.50
Profit after tax but before minority interest	71.76	10.89	2,075.31	308.45
Less : Minority Interest	---	---	127.90	27.25
Add : Share of profit from Associate Company	---	---	784.11	285.18
Profit for the year	71.76	10.89	2,731.52	566.38
Add: Balance as per last financial statements	2,200.78	2,189.89	1,697.72	2,086.52
Adjustments pursuant to Scheme of amalgamation	---	---	---	(1,022.19)
Discontinuation of a subsidiary	---	---	---	(67.91)
Adjustment on account of investments in associates	---	---	(8.52)	135.98
Profit available for appropriations	2,272.54	2,200.78	4,420.72	1,698.78
Less: Transfer to statutory reserve	---	---	2.44	0.63
Less: Preference Dividend	---	---	1.50	0.36
Less: Tax on preference dividend	---	---	0.31	0.07
Net Surplus in Statement of Profit and Loss	2,272.54	2,200.78	4,416.47	1,697.72
Nominal value per share (in ₹)	10.00	10.00	10.00	10.00
Basic and diluted earnings per share				
- Basic (in ₹)	0.14	0.03	5.49	1.60
- Diluted (in ₹)	0.14	0.03	5.49	1.60

The state of Company's affairs

Standalone

The total income during the year 2016-2017 stood at ₹ 1,786.59 lakhs as against ₹ 352.52 lakhs during the previous year, showing an increase of income by four times as compared to the previous year. The Company has earned a profit before tax ₹ 145.92 lakhs as compared to a profit of ₹ 12.53 lakhs in the previous year. The profit after tax stood at ₹ 71.76 lakhs as against the profit of ₹ 10.89 lakhs in the previous year.

Consolidated

The consolidated income during the year 2016-2017 stood at ₹ 16,838.41 lakhs as against ₹ 14,153.11 lakhs during the previous year. The consolidated income has been increased by 18.97% as compared to the previous year. During the year under review the Company has on consolidated basis earned a profit of ₹ 2,731.52 lakhs after tax as against the profit of ₹ 566.38 lakhs in the previous year.

Consolidated Financial Statements

The Board of Directors of your Company at its meeting held on 17th May, 2017 approved the consolidated financial statements for the financial year 2016-2017 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 Regulation 34 (2) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016 - 2017.

Transfer to General Reserves

The Board of Directors do not propose to transfer any amount to General Reserve for the financial year 2016 - 2017.

Fixed Deposits

The Company does not hold and has not accepted any deposits 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.

Subsidiaries, Associates and Step down Subsidiaries :

As on 31st March, 2017 the Company had eight wholly owned subsidiaries, four subsidiaries, two step down subsidiaries and two associates. The Board of Directors reviews the performance of these companies on quarterly basis.

In terms of section 129 (3) of the Companies Act, 2013 the Company has prepared consolidated financial statements and a statement of salient features of the subsidiaries in form AOC 1 which is attached to the notes forming part of financial statements.

Accounts of subsidiary companies

In terms of proviso to section 136 of the Companies Act, 2013 the Company has not attached the financial statements of its subsidiaries with the accounts of the Company. However, the audited annual financial statements 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 financial statements of the subsidiary companies will be made available on request to members of the company and its subsidiaries, seeking such information at any point of time.

Investments

During the year under review, the Company has subscribed and/or acquired shares as investment in the following companies:

Sr. No.	Date	Name of the Company	Nature of Securities	Face Value (₹)	No. of securities	Amount (₹ in lakhs)
Investments made during the year 2016 - 2017						
1	21/04/2016	ITI Gilts Private Limited (earlier known as Crest Debt Capital Markets Private Limited)	Equity shares	10	51,00,000	510.00
2	25/04/2016	Fortune Credit Capital Limited	Equity shares	10	1,00,00,000	4,000.00
3	02/05/2016	United Petro Finance Limited	Equity shares	10	34,60,000	346.00
4	03/05/2016	Fortune Integrated Assets Finance Limited	Equity shares	10	17,04,545	1874.99
5	20/05/2016	ITI Asset Management Limited (earlier known as ITI Investment Advisors Limited)	Equity shares	10	4,00,000	5,000.00
6	12/08/2016	Fortune Integrated Home Finance Limited	Equity shares	10	17,50,000	525.00
7	22/11/2016	ITI Reinsurance Limited (earlier known as Kohinoor India Reinsurance Co. Limited)	Equity shares	10	9,50,00,000	142,50.00
8	23/11/2016	ITI Reinsurance Limited (earlier known as Kohinoor India Reinsurance Co. Limited)	Equity shares	10	6,90,00,000	103,50.00
9	24/10/2016	ITI Mutual Fund Trustee Private Limited	Equity shares	10	10,000	1.00
10	23/03/2017	United Petro Finance Limited	Equity shares	10	41,60,000	603.20
11	29/03/2017	ITI Reinsurance Limited (earlier known as Kohinoor India Reinsurance Co. Limited)	Equity shares	10	5,33,60,000	8,004.00
		Total (A)				45,464.19
Disinvestments during the year 2016 - 2017						
1	30/11/2016	ITI Asset Management Limited (earlier known as ITI Investment Advisors Limited)	Equity shares	10	4,00,000	2,025.00
2	10/08/2016	BSE Limited	Equity shares	1	70,694	0.05
		Total (B)				2,025.05
		Total (A - B)				43,439.14

Merger

The Company has received in-principle approval from BSE Limited for merger with The Investment Trust of India Limited (earlier known as ITI Wealth Management Private Limited). The Scheme has been approved by the High Court Judicature at Bombay and the approval from the National Company Law Tribunal at Chennai is awaited as all the merger applications with the high courts have been transferred to the respective National Company Law Tribunals (NCLTs).

Demerger of United Petro Finance Limited

In the Board meeting held on 31st March, 2017, the Board has unanimously approved Scheme of Arrangement between United Petro Finance Limited ('UPFL' or the 'Demerged Company') and Fortune Credit Capital Limited ('FCCL' or the 'Resulting Company') and Fortune Financial Services (India) Limited ('FFSIL' or the 'Holding Company of the Resulting Company') and their respective shareholders providing for the demerger of Lending Business ('NBFC Business') of UPFL to FCCL (Wholly Owned Subsidiary of FFSIL), and issue of equity shares of FFSIL to the shareholders of UPFL. By operation of section 2(19AA) read with 2(41A) of the Income Tax Act, 1961, the consideration for demerger will be discharged by the Company to the shareholders of UPFL.

Merger of Fortune Integrated Assets Finance Limited with the Company

In the Board meeting held on 25th April, 2017, the Board has Unanimously approved Scheme of Amalgamation of Fortune Integrated Assets Finance Limited ('FIAPL' or the 'Transferor Company') with Fortune Financial Services (India) Limited ('FFSIL' or the 'Transferee Company') and their respective shareholders providing for the merger of Fortune Integrated Assets Finance Limited with Fortune Financial Services (India) Limited.

Incorporation of new subsidiary

During the year under review a new subsidiary in the name of ITI Mutual Fund Trustee Private Limited has been incorporated. The object of the new company is to undertake and carry on the functions and duties and act as a trustee, executor, administrator, attorney or nominee of, or for funds of all kinds including Mutual funds, offshore funds, pension funds, superannuation funds, provident funds, venture capital funds, growth funds, "Alternative investment Funds", "Portfolio Investment Schemes", debenture-holders, Insurance Funds, Collective or private investment schemes or any other schemes and to hold the property in trust for the benefit of the beneficiaries of the trust and devise various schemes for raising funds etc.

Incorporation of step down subsidiary

During the year under review a new subsidiary in the name of Antique Stock Broking (IFSC) Private Limited has been incorporated by Antique Stock Broking Limited. The object of the new company is to carry on the business as IFSC (International Financial Service Centre) unit in accordance with the Securities and Exchange Board of India (IFSC) Guidelines, 2015 to act as intermediary as per such guidelines in IFSC, Investment Consultants, stock brokers, underwriters and to invest, sell, purchase, exchange, surrender, extinguish, relinquish, subscribe, acquire, undertake, underwrite, hold, auction, convert, or otherwise deal in any shares, stocks, debentures, debentures stock, bonds, depository receipts, hedge instruments, warrants, certificates, options futures, money market securities, marketable or non-marketable securities, derivatives and other instruments or securities etc.

Setting up of Mutual Fund

During the year, the Company received in-principle approval from SEBI for setting up Mutual Fund vide its letter dated July 28, 2016 together with one of its subsidiaries viz. Fortune Credit Capital Limited. The Company's shareholding in ITI Asset Management Limited is 60% while that of subsidiary is 40%.

ITI Asset Management Limited (ITIAML) is a subsidiary of FFSIL. The company's principal activity is to act as an Investment Manager to the proposed "ITI Mutual Fund". The Investment Management Agreement was executed between ITI Mutual Fund Trustee Private Limited and ITIAML on April 7, 2017. The entire infrastructure of the business including all systems, processes, policies and personnel are in place and the Company is fully geared to enter the markets as soon as the necessary regulatory approvals are received.

ITI Mutual Fund Trustee Private Limited (ITIMFTPL) is subsidiary of FFSIL. The company's principal activity is to act as Trustee to the proposed "ITI Mutual Fund". The Trust Deed was executed on April 6, 2017 between Fortune Financial Services (India) Limited, Fortune Credit Capital Limited and ITIMFTPL.

Setting up of Alternate Investment Fund

During the year, the Company has in capacity of Sponsor and Investment Manager along with Trustee formed an Alternative Investment Fund i.e. ITI Infrastructure Fund a Category I Infrastructure Fund under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. The said Alternative Investment Fund has received certificate of Registration from SEBI dated January 17, 2017. The operations of the fund is yet to be commenced.

New line of business

During the year under the Company has obtained members approval for commencement of new line of business for trading in goods. The Company has commenced the business in trading of textile items.

Postal Ballot

During the year under review, the Company had issued Postal Ballot Notice dated 12th December, 2016 to the members of the Company seeking approvals alteration of Object Clause of the Memorandum of Association of the Company and for related party transactions.

The Scrutinizer appointed by the Board of Directors has submitted his report on the Postal Ballot on January 27, 2017 and the following result was announced by Director of the Company on January 27, 2017 at the registered Office of the company situated at Naman Midtown, "A" Wing, 21st Floor, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.

Resolutions	Particulars		
	No. of valid votes polled	Votes casted in favour of the Resolution	Votes casted against the Resolution
Item No. 1 (Special Resolution) Alteration of Object Clause III of the Memorandum of Association of the company	4,04,33,828	4,04,33,813	15
Item No. 2 (Ordinary Resolution) Approval for related party transactions for acquiring equity shares of Suraksha Asset Reconstruction Private Limited	29,36,382	29,25,014	11,368

Material changes and commitments affecting financial statements between financial year end

During the year under review the Company has allotted / issued 226,77,777 equity shares of ₹ 10 each fully paid on rights basis to the then existing shareholders of the Company. The Company had issued abridged letter of offer to the shareholders of the Company. The issue was oversubscribed by 1.2022 times. The post rights issue, the Company's paid up capital increased to ₹ 5,102.38 lakhs divided in to 5,10,23,767 equity shares of ₹ 10 each fully paid.

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 six meetings of the Board of Directors of the Company were held on 24th May, 2016, 8th August, 2016, 14th November, 2016, 12th December, 2016, 31st January, 2017 and 31st March, 2017

The details of the meetings held and the attendance thereto are given in the Corporate Governance Report of the Company for the financial year 2016 - 2017, 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 31st March, 2017

Directors

Ms. Khyati Valia, Director of the Company retires by rotation and being eligible offers herself for re-appointment.

Mr. Alok Kumar Misra has been appointed as an Additional Independent Director of the Company effective from 16th September, 2016. Mr. Alok Kumar Misra 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 Mr. Alok Kumar Misra as an Independent Director of the Company and not liable to retire by rotation.

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.

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.		
		The details of the sitting fees paid during the financial year 2016-2017 to the Directors of the Company are as under :		
		Sr. No.	Name of the Directors	Amount paid (₹)
		1	Mr. Chintan Valia	2,85,000
		2	Mrs. Khyati Valia	1,45,000
		3	Mr. Pankaj Bhuta	2,85,000
		4	Mr. Alok Kumar Misra	2,05,000
		5	Mr. Nishit Dhruva	80,000
		6	Mrs. Deena Mehta	95,000
			Total	10,95,000

2	The percentage increase in remuneration of each director, CFO, CEO, CS or manager if any, in the financial year 2016-2017.	Directors – Not applicable CFO Nil CEO – Not applicable CS Nil	
3	The percentage increase in the median remuneration of the employees of the Company for the financial year 2016-2017.	Nil	
4	The number of permanent employees on the roll of the Company as on 31st March, 2017	24	
5	The explanation on the relationship between average increase in remuneration and Company performance	During the year the management has not revised remuneration of the employees, hence relationship between average increase in remuneration and Company performance is not required to be given.	
6	Comparison of remuneration of the KMP against the performance of the Company	Remuneration to KMP ₹ 47,75,845 (Manager, CFO & CS) Performance of the Company on stand-alone basis after tax for the year 2016-2017 ₹ 71.76 lakhs after considering exceptional items aggregating to ₹ 317.98 lakhs as compared to ₹ 10.89 lakhs in the previous year.	
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) Ltd. (₹ in lakhs)	
		as on 31/03/2017	157,816.51
		as on 31/03/2016	37,473.40
		Price earning ratio = Market price / EPS	
		as on 31/03/2017 Market price ₹309.30 EPS ₹ 0.14	2,209
		as on 31/03/2016 Market price ₹ 132.20 EPS ₹ 0.04	3,305
		Market quotation of the Company's shares	
		as on 31/03/2017	₹ 309.30
as on 31/03/2016	₹ 132.20		
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 Director except for the Sitting fees. The details of payment of sitting fees provided in item no. 1 above and also Corporate Governance Report.	
9	Comparison of the each of the remuneration of the KMP as against the performance of the Company	Performance of the Company	
		₹ 71.76 lakhs after tax on stand-alone basis (after considering the exceptional items aggregating to ₹ 317.98 lakhs) as compared to ₹ 10.89 lakhs in the previous year.	
		Name of the KMP & Designation	Amount of Remuneration paid
		Mr. Prateek Tayal Manager (w. e. f. 6th October, 2016)	₹ 18,55,874
		Mr. Aalok Dave Manager (up to 5th October, 2016)	₹ 51,82,138
		Mr. S. G. Muthu Kumar Chief Financial Officer	₹ 20,00,509
	Mr. Haroon Mansuri Company Secretary	₹ 9,19,462	
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

[Pursuant to section 134 (3) (q) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

1	Name	Mr. Prateek Tayal	Mr. Aalok Dave
2	Designation	Manager under the Companies Act	Manager under the Companies Act
3	Remuneration received	₹ 18,55,874 (w. e. f. 6th October, 2016)	₹ 51,82,138 (up to 5th October, 2016)
4	Nature of employment, whether contractual or otherwise	Contractual	Contractual
5	Qualifications and experience of the employee	MBA from S P Jain School of Global Management & BBA	B. Com., ACA
6	Date of commencement of employment	6th October, 2016	31st July, 2015
7	The age of employee	28 years	38 years
8	Last employment held by such employee before joining the Company	Sunmarg Securities Private Limited	Asset Reconstruction Company (India) Limited
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, 2017	Nil	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

Key Managerial Personnel (KMP)

The followings have been designated as Key Managerial Personnel of the Company pursuant to section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Mr. Aalok Dave - Manager under the Companies Act (ceased w e f 5th October, 2016)
2. Mr. Prateek Tayal - Manager under the Companies Act (appointed w e f 6th October, 2016)
3. Mr. S. G. Muthu Kumar - Chief Financial Officer
4. Mr. Haroon Mansuri - Company Secretary

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 four committees of the Board of Directors. These committees are – Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee and Internal Finance Committee.

The terms of reference, composition and the details of the meetings of the committees 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2016-2017. 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 Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

Policies :

The Company has in place the following policies which have been approved by the Board of Directors of the Company.

1. Criteria for payment to non executive Directors
2. Directors familiarization program
3. Policy for dealing with related parties
4. Policy on group entities
5. Policy on materiality
6. Terms and conditions of appointment of Independent Directors
7. Whistle blower policy
8. Code of Conduct for Directors and Senior management

The above are posted on the website of the Company – www.fortune.co.in

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 I** and forms part of the annual report.

Statutory Auditors

At the 23rd Annual General Meeting held on 22nd September, 2014, M/s Bathiya & Associates LLP, (earlier known as 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. 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.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Dinesh Kumar Deora, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2017.

Secretarial Audit Report

As required under section 204 of the Companies Act, 2013, a Secretarial Audit Report dated 10th May, 2017 issued by M/s. Dinesh Kumar Deora, a Practicing Company Secretary is attached herewith and marked as **Annexure II**.

Explanation on observations by statutory auditors & practicing company secretary

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

Particulars of contracts or arrangements with related parties

The Company has entered in to transactions with related parties during the financial year 2016-2017. All such transactions are on arm's length basis and in the ordinary course of business except for investments and/or disinvestments made by the Company which are not in ordinary course of business and such transactions are with the wholly owned subsidiary companies that the provisions of Section 188 of the Companies Act, 2013 relating to the approval 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 forms part of the annual report and marked as **Annexure III**. 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 and Protection Fund (IEPF)

As required under section 124 (5) of the Companies Act, 2013 the Company has transferred ₹ 2,92,059/- to the Investor Education and Protection Fund (IEPF) during the year under review towards unclaimed dividend for the financial year 2008 - 2009 declared on 29th August, 2009.

Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees during the year under review.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

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 by the shareholders of the Company, banks, financial institutions and intermediaries 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
Non Executive Director
(DIN:05333936)

Khyati Valia
Non Executive Director
(DIN: 03445571)

Mumbai, 17th May, 2017

Fortune Financial Services (India) Limited

CIN: L65910MH1991PLC062067

Registered Office :

Naman Midtown "A" Wing

21st Floor, Unit No. 2103

Senapati Bapat Marg

Elphinstone Road

Mumbai - 400 013

Telephone : +91 22 4027 3600

Fax : +91 22 4027 3700

e mail : cosecretary@ffsil.com

website: www.fortune.co.in

Form No. MGT – 9
EXTRACT OF THE ANNUAL RETURN

as on the financial year ended on **31st March, 2017**

[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 Telephone : 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 : +91-22-2301 2517 e-mail : busicomp@gmail.com Website : 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	Financial Advisory and Consultancy	67	28.18
2	Trading activities	45	61.30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Intime Equities Limited Naman Midtown, "A" Wing 20th Floor, Unit No. 2002 Senapati Bapat Marg, Elphinstone Road Mumbai 400 013	U74120MH1994PLC077946	Wholly Owned Subsidiary	100.00	2 (87) (ii)
2.	Intime Multi Commodity Company Limited Naman Midtown, "A" Wing 20th Floor, Unit No. 2002 Senapati Bapat Marg, Elphinstone Road Mumbai 400 013	U67190MH2005PLC158409	Wholly Owned Subsidiary	100.00	2 (87) (ii)
3.	Fortune Credit Capital Limited Naman Midtown, "A" Wing, 21st Floor Unit No. 2104, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U67190MH2007PLC175180	Wholly Owned Subsidiary	100.00	2 (87) (ii)
4.	Fortune Integrated Home Finance Limited Naman Midtown, "A" Wing, 21st Floor Unit No. 2103, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U65923MH2012PLC234979	Wholly Owned Subsidiary	100.00	2 (87) (ii)



5.	Antique Stock Broking Limited Naman Midtown, "A" Wing, 20th Floor Unit Nos. 2001 & 2004, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U67120MH1994PLC079444	Wholly Owned Subsidiary	100.00	2 (87) (ii)
6.	Inga Capital Private Limited Naman Midtown, "A" Wing 21st Floor, Unit No. 2102, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.	U74140MH1999PTC122493	Wholly Owned Subsidiary	100.00	2 (87) (ii)
7.	Distress Asset Specialist Private Limited Naman Midtown, "A" Wing, 21st Floor Unit No. 2103, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U67190MH2013PTC249239	Wholly Owned Subsidiary	100.00	2 (87) (ii)
8.	ITI Mutual Fund Trustee Private Limited Naman Midtown, "A" Wing 21st Floor, Unit No. 2103 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U65999MH2016PTC287077	Wholly Owned Subsidiary	100.00	2 (87) (ii)
9.	ITI Asset Management Limited (earlier known as ITI Investment Advisors Limited) Naman Midtown, "A" Wing, 21st Floor Unit No. 2103, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U67100MH2008PLC177677	Subsidiary	100.00	2 (87) (ii)
10.	The Investment Trust of India Limited (earlier known as ITI Wealth Management Private Limited) No. 7, "B" Block, "Alsa Samar 1st Floor, 2nd Avenue Lane, Anna Nagar Chennai 600 102	U74999TN2015PLC100911	Subsidiary	75.57	2 (87) (ii)
11.	ITI Reinsurance Limited (earlier known as Kohinoor India Reinsurance Co. Limited) Naman Midtown, "A" Wing 20th Floor, Unit No. 2001 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013.	U74120MH2014PLC257899	Subsidiary	80.00	2 (87) (ii)
12.	ITI Gilts Private Limited (earlier known as Crest Debt Capital Markets Pri- vate Limited) Naman Midtown, "A" Wing 21st Floor, Unit No. 2103 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U67100MH2016PTC272339	Subsidiary	51.00	2 (87) (ii)
13.	Neue Allianz Corporate Services Private Limited A/ 404, Neelam Centre Hind Cycle Road, Worli Mumbai 400 030	U75123MH2006PTC161104	Step down Subsidiary	Nil	2 (87) (ii)
14.	Antique Stock Broking (IFSC) Private Limited Unit No. 36/12, GIFT Aspire 1 Business Centre, Ground Floor, Block 12, Road 1D, Zone – 1, GIFT SEZ Gandhinagar 382 355	U65990GJ2016PTC094531	Step down Subsidiary	Nil	2 (87) (ii)
15.	Fortune Integrated Assets Finance Limited Naman Midtown, "A" Wing 21st Floor, Unit No. 2101 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U65923MH2012PLC235450	Associate	25.00	2 (6)
16.	United Petro Finance Limited 2nd Floor, N. P. Tower Guruvayoor Road, West Fort, Thrissur 680 004	U65923KL1996PLC010426	Associate	40.60	2 (6)
17.	Wind Construction Private Limited Naman Midtown, "A" Wing 21st Floor, Unit No. 2101 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013	U70102MH2009PTC194737	Wholly Owned Subsidiary of an Associate	Nil	2 (87) (ii)

IV SHAREHOLDING PATTERN (Equity Share Capital break up as percentage of total equity) :

i) Category wise shareholding as on 31st March, 2017 :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of the total Shares	Demat	Physical	Total	% of the total Shares	
A. Promoters and promoter Group Shareholding									
(1) Indian									
a) Individual/ HUF	9,89,502	-	9,89,502	3.49	17,81,102	---	17,81,102	3.49	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt.(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	1,76,22,515	---	1,76,22,515	62.17	3,58,96,344		3,58,96,344	70.35	8.18
e) Banks/ FI	---	---	---	---	---	---	---	---	---
f) Any Other PACs	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	1,86,12,017	---	1,86,12,017	65.66	3,76,77,446		3,76,77,446	73.84	8.18
(2) Foreign									
a) NRIs - Individuals	--	---	---	---	---	---	---	---	---
b) Other – Individuals	--	---	---	---	---	---	---	---	---
c) Bodies Corporate	--	---	---	---	---	---	---	---	---
d) Banks / Financial Institutions	--	---	---	---	---	---	---	---	---
e) Any Other	--	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	--	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1)+ (A)(2)	1,86,12,017		1,86,12,017	65.66	3,76,77,446	---	3,76,77,446	73.84	8.18
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	---	---	---	---	---	---	---	---
b) Banks / FI	--	---	---	---	---	---	---	---	---
c) Central Govt.	--	---	---	---	---	---	---	---	---
d) State Govt(s).	--	---	---	---	---	---	---	---	---
e) Venture Capital Funds	--	---	---	---	---	---	---	---	---
f) Insurance Companies	--	---	---	---	---	---	---	---	---
g) FIs	10,63,690	---	10,63,690	3.75	24,87,800	---	24,87,800	4.88	1.12
h) Foreign Venture Capital Funds	--	---	---	---	---	---	---	---	---
i) Others	--	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	10,63,690	---	10,63,690	3.75	24,87,800	---	24,87,800	4.88	1.12
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	24,04,990	9,200	24,14,190	8.52	14,61,015	9,200	14,70,215	2.88	(5.64)
ii) Overseas	27,99,000	---	27,99,000	9.87	30,64,200	---	30,64,200	6.01	(3.87)
b) Individual shareholders holding									
i) upto ₹ 2 lakh	7,10,008	1,50,615	8,60,623	3.04	10,92,992	1,47,495	12,40,487	2.43	(0.60)
ii) in excess of ₹ 2 lakh	24,13,228	39,700	24,52,928	8.65	47,00,520	39,700	47,40,220	9.29	0.64
c) Others									
i) NRIs	17,147	59,100	76,247	0.27	35,787	59,100	94,887	0.19	(0.08)
ii) HUF	61,570	---	61,570	0.22	1,75,618	---	1,75,618	0.34	0.13
iii) Clearing Member	4,034	---	4,034	0.01	57,447	---	57,447	0.11	0.10
iv)Trusts	1,691	---	1,691	0.01	15,447	---	15,447	0.03	0.02
Sub-total (B)(2):-	84,11,668	2,58,615	86,70,283	30.59	1,06,03,026	2,55,495	1,08,58,521	21.28	(9.31)
Total Public Shareholding (B) = (B) (1)+(B)(2)	94,75,358	2,58,615	97,33,973	34.34	1,30,90,826	2,55,495	1,33,46,321	26.16	(8.18)
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	2,80,87,375	2,58,615	2,83,45,990	100.00	5,07,68,272	2,55,495	5,10,23,767	100.00	---

(ii) Shareholding of promoters & promoter group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Share holding at the end of the year (31.03.2017)			% 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	
Promoters								
1	Mr. Chintan V. Valia	1,00,000	0.35	---	1,80,000	0.35	---	---
Promoter Group								
1	Neostar Developers LLP	1, 14,51,803	40.40	---	2,37,42,082	46.53	---	6.13
2	Aditya Infotech Private Limited	61,70,712	21.77	---	1,21,54,262	23.82	---	2.06
3	Mrs. Raksha Valia	3,47,791	1.23	---	6,26,023	1.23	---	0.01
4	Paresh Parekh	3,44,460	1.21	---	6,20,028	1.21	---	---
5	Vijay Parekh	1,46,960	0.52	---	2,64,528	0.52		---
6	Sudhir Valia	50,291	0.18	---	90,523	0.18	---	0.01
	Total	1,86,12,017	65.66	---	3,76,77,446	73.84	---	8.18
Note	% change in shareholding during the year has been calculated on the basis of the shares outstanding as on 31st March, 2017							

(iii) change in Promoters' and promoter group shareholding :

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during 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	1,86,12,017	65.66		
Date wise increase/(decrease) in Promoters & Promoter Group shareholding during the year					
1	05/04/2016 Acquired	8,96,660	3.16	1,95,08,677	68.82
2	05/04/2016 Acquired	5,00,000	1.76	2,00,08,677	70.59
3	25/04/2016 Rights	80,000	0.16	2,00,88,677	39.37
4	25/04/2016 Rights	40,232	0.08	2,01,28,909	39.45
5	25/04/2016 Rights	2,78,232	0.55	2,04,07,141	40.00
6	25/04/2016 Rights	1,17,568	0.23	2,05,24,709	40.23
7	25/04/2016 Rights	2,75,568	0.54	2,08,00,277	40.77
8	25/04/2016 Rights	113,93,619	22.33	3,21,93,896	63.10
9	25/04/2016 Rights	54,83,550	10.75	3,76,77,446	73.84
	At the end of the year			3,76,77,446	73.84
Note	% of cumulative shares has been calculated on the basis of increased paid up capital of the Company for the serial numbers from 3-9				

(iv) shareholding pattern of top ten shareholders (Other than Directors, Promoters, and holders of GDRs & ADRs) as on 31st March, 2017 :

Sr. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Kirti Doshi				
	at the beginning of the year	13,52,500	4.77		
	Changes during the year				
	Acquired through Rights Issue (25/04/2016)	8,82,000	1.73	22,34,500	4.38
	at the end of the year			22,34,500	4.38
2	Nogard Investments Limited				
	at the beginning of the year	18,00,000	6.35		
	Changes during the year				
	Sold (01/04/2016)	(1,000)	---	17,99,000	3.53
	at the end of the year			17,99,000	3.53
3	Hypnos Fund Limited				
	at the beginning of the year	5,14,990	1.82		
	Changes during the year				
	Acquired from Open Market (08/04/2017)	5,00,000	1.76	10,14,990	3.58
	Acquired through Rights Issue (25/04/2016)	4,40,000	0.86	14,54,990	2.85
	Acquired from Open Market (21/10/2016)	2,50,000	0.49	17,04,990	3.34
	at the end of the year			17,04,990	3.34
4	Bomin Finance Limited				
	at the beginning of the year	9,99,000	3.52		
	Changes during the year				
	Sold (08/04/2016)	(5,00,000)	(1.76)	4,99,000	1.76
	Acquired through Rights Issue (25/04/2016)	7,99,200	1.57	12,98,200	2.54
	Sold (13/05/2016)	(33,000)	(0.46)	12,65,200	2.48
	at the end of the year			12,65,200	2.48
5	Orange Mauritius Investments Limited				
	at the beginning of the year	5,48,700	1.94		
	Changes during the year				
	Acquired through Rights Issue (25/04/2016)	5,00,000	0.98	10,48,700	2.06
	Sold (21/10/2016)	(2,60,000)	(0.51)	7,88,700	1.55
	Sold (28/10/2016)	(5,890)	(0.01)	7,82,810	1.53
	at the end of the year			7,82,810	1.53
6	Vikram Pratapbhai Kotak				
	at the beginning of the year	4,22,883	1.49		
	Changes during the year				
	Sold (08/04/2016)	(22,883)	(0.08)	4,00,000	1.41
	Acquired through Rights Issue (25/04/2016)	3,20,000	0.63	7,20,000	1.41
	Sold (10/06/2016)	(2,00,000)	(0.39)	5,20,000	1.02
	at the end of the year			5,20,000	1.02
7	Crest Ventures Limited				
	at the beginning of the year	6,17,329	2.18		
	Changes during the year				
	Sold (29/07/2016)	(9,322)	(0.02)	6,08,007	1.19
	Sold (01/08/2016)	(2,000)	---	6,06,007	1.19
	Sold (02/08/2016)	(3,000)	---	6,03,007	1.18
	Sold (05/08/2016)	(28,007)	(0.05)	5,75,000	1.13
	Sold (09/09/2016)	(12,000)	(0.02)	5,63,000	1.10
	Sold (16/09/2016)	(6,169)	(0.01)	5,56,831	1.09

Sr. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sold (07/10/2016)	(1,480)	---	5,55,351	1.09
	Sold (14/10/2016)	(29,617)	(0.06)	5,25,734	1.03
	Sold (21/10/2016)	(25,734)	(0.05)	5,00,000	0.98
	Sold (24/02/2017)	(2,000)	---	4,98,000	0.98
	at the end of the year			4,98,000	0.98
8	Laxmi Mankekar				
	at the beginning of the year	1,20,000	0.42		
	Changes during the year				
	Acquired through Rights Issue (25/04/2017)	1,11,874	0.22	2,31,874	0.45
	at the end of the year			2,31,874	0.45
9	Usha Hemendra Parekh				
	at the beginning of the year	2,20,960	0.78		
	Changes during the year				
	Acquired from Open Market (20/05/2016)	40	---	2,21,000	0.43
	at the end of the year			2,21,000	0.43
10	Reeth Properties Limited				
	at the beginning of the year	----	---		
	Changes during the year				
	Acquired from Open Market (13/05/2016)	76,407	0.15	76,407	0.15
	Sold in Open Market (20/05/2016)	(12,457)	(0.02)	63,950	0.13
	Acquired from Open Market (27/05/2016)	37,231	0.07	1,01,181	0.20
	Acquired from Open Market (10/06/2016)	2,756	---	1,03,937	0.20
	Acquired from Open Market (17/06/2016)	13,162	0.03	1,17,099	0.23
	Acquired from Open Market (24/06/2016)	249	---	1,17,348	0.23
	Acquired from Open Market (30/06/2016)	8,845	0.02	1,26,193	0.25
	Acquired from Open Market (08/07/2016)	35,351	0.07	1,61,544	0.32
	Acquired from Open Market (15/07/2016)	24,491	0.05	1,86,035	0.36
	Acquired from Open Market (22/07/2016)	7,571	0.01	1,93,606	0.38
	at the end of the year			1,93,606	0.38
Note : The percentage of holding at the beginning of the year is calculated on the basis of shares outstanding as on 1st April, 2016 and while that of at the end of the year is calculated on the basis of shares outstanding as on 31st March, 2017					

(V) Shareholding of Directors and Key Managerial Personnel

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
	Directors							
1.	Mr. Chintan V. Valia (Non Executive Director)	1,00,000	0.35	25/04/2016	80,000	Rights Issue	1,80,000	0.35
2.	Mr. Pankaj Bhuta (Independent Director)	4,000	0.01	25/04/2016	3,729	Rights Issue	7,729	0.02
	Key Managerial Personnel							
1.	Mr. S. G. Muthu Kumar (Chief Financial Officer)	7,300	0.02	---	---	---	7,300	0.01
Note :	The percentage of holding at the beginning of the year is calculated on the basis of shares outstanding as on 1st April, 2016 and while that of at the end of the year is calculated on the basis of shares outstanding as on 31st March, 2017							

VI. 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 year				
i) Principal Amount	---	6,04,50,000	---	6,04,50,000
ii) Interest due but not paid	---	20,59,137	---	20,59,137
iii) Interest accrued but not due	---	---	---	---
Total (I + ii + iii)	---	6,25,09,137	---	6,25,09,137
Change in indebtedness during the year				
• Addition	---	1,96,96,00,000	---	1,96,96,00,000
• Reduction	---	6,25,09,137	---	96,25,09,137
Net change	---	1,90,70,90,863	---	1,90,70,90,863
Indebtedness at the end of the year				
i) Principal Amount	---	1,96,96,00,000	---	1,96,96,00,000
ii) Interest due but not paid	---	6,54,53,044	---	6,44,53,044
iii) Interest accrued but not due	---	--	---	--
Total (I + ii + iii)	---	2,03,50,53,044	---	2,03,50,53,044

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Particulars of Remuneration	Name of the KMP		Total
		Prateek Tayal (06/10/2016 – 31/03/2017)	Aalok Dave (01/04/2016 – 05/10/2016)	
		(Manager under the Companies Act)		
1	Gross salary	(₹)	(₹)	(₹)
	(a) Salary as provisions contained in section 17(1) of the Income tax Act, 1961 (*)	7,77,807	51,82,138	59,59,945
	(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	---	---	---
5	Others	---	---	---
	Total (A)	7,77,807	51,82,138	59,59,945
	Ceiling as per the Act			1,68,00,000

VIII. REMUNERATION OTHER DIRECTORS :

Sr. No.		Chintan Valia	Khyati Valia	Pankaj Bhuta	Nishit Dhruva	Deena Mehta	Alok Kumar Misra	Total Amount
		Non Executive Directors		Independent Directors				
		(A)	(B)	(C)	(D)	(E)	(F)	
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	
1	Fees for attending Board and committee meetings	2,85,000	1,45,000	2,85,000	80,000	95,000	2,05,000	10,95,000
2	Commission	---	---	---	---	---	---	---
3	Other	---	---	---	---	---	---	---
4	Total	2,85,000	1,45,000	2,85,000	80,000	95,000	2,05,000	10,95,000
5	Total managerial remuneration	2,85,000	1,45,000	2,85,000	80,000	95,000	2,05,000	10,95,000
6	Overall ceiling as per the Act	Not applicable						

IX. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGER

Sr. No.	Particulars of remuneration	S. G. Muthu Kumar	Haroon Mansuri	Total
		Chief Financial Officer	Company Secretary	
		(₹)	(₹)	
1.	Gross salary			
	a) Salary as provisions contained in section 17(1) of the Income tax Act, 1961	20,00,509	9,19,462	29,19,971
	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	---	---	---
5.	Other	---	---	---
	Total	20,00,509	9,19,462	29,19,971

X. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES :

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

Form no. MR-3
Secretarial Audit Report

[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]

For the Financial Year Ended March 31, 2017

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

Dear Members,

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, 2017, 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, 2017 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; **(Not applicable during the Audit period)**
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, 2011;
 - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - 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 and the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 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. There are no major head / groups of Acts, Laws and Regulations as specifically applicable to the Company except for general laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I further report that the Company has generally complied with the Secretarial Standards issued by Institute of Company Secretaries of India. Further the Company has generally complied with respect to event based filing of e-forms to be filed with Registrar of Companies.



I further report that

The Board of Directors of the Company is duly constituted with proper balance of 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,

1. The Board approved Scheme of Arrangement between United Petro Finance Limited (UPFL) and Fortune Credit Capital Limited (FCCL) and Fortune Financial Services (India) Limited (FFSIL) and their respective shareholders providing for the demerger of Lending Business ('NBFC Business') of UPFL to FCCL (Wholly Owned Subsidiary of FFSIL), and issue of equity shares of FFSIL to the shareholders of UPFL;
2. The Company received an order issued by the Hon'ble High Court of judicature at Bombay regarding amalgamation of The Investment Trust of India Limited (earlier known as ITI Wealth Management Private Limited) with the Company. However, order from the Madras NCLT is awaited.
3. The Company altered its Memorandum of Association by deleting, Sub Clause Nos. 5, 33 and 49(b) of the existing Clause III (B) of the Memorandum of Association of the Company and inserting the same in Main Clause III (A) through Postal Ballot;
4. The Company has allotted 2,26,77,777 Equity Shares of face value ₹ 10/- each for cash at an issue price of ₹ 90 each (including premium of ₹ 80 each) on a fully -paid basis.

Date : 17th May, 2017

Place : Mumbai

Dinesh Kumar Deora
Practising Company Secretary
FCS No 5683
COP No 4119

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

ANNEXURE - I to Form MR-3

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

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 17th May, 2017

Place : Mumbai

Dinesh Kumar Deora
Practising Company Secretary
FCS No 5683
COP No 4119

Form AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 read with rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered in to by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

- 1. Details of contracts or arrangements or transactions not at arm's length basis :** During the financial year **April 2016 to March 2017** the Company has not entered in to any contracts or arrangements or transactions with any related parties which are not in the ordinary course of business except for the investments and /or disinvestments made by the Company which are of strategic nature and not on ordinary course of business or at arm's length. The Company has in its place the policy/process to ensure the compliance of applicable provisions of the Companies Act, 2013 and rules made there under relating to related party transactions.

Sr. No.	Particulars	Remarks
a)	Name of the related parties and nature of relationship	Not applicable
b)	Nature of contracts or arrangements or transactions	Not applicable
c)	Duration of contracts or arrangements or transactions	Not applicable
d)	Salient terms of contracts or arrangements or transactions including the value	Not applicable
e)	Justification for entering in to such contracts or arrangements or transactions	Not applicable
f)	Date of approval by the Board	Not applicable
g)	Amount paid as advances	Not applicable
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013	Not applicable

- 2. Details of material contracts or arrangements or transactions at arm's length :**

Sr. No.	Particulars	Remarks
a)	Name of the related parties and nature of relationship	Not applicable
b)	Nature of contracts or arrangements or transactions	Not applicable
c)	Duration of contracts or arrangements or transactions	Not applicable
d)	Salient terms of contracts or arrangements or transactions including the value	Not applicable
e)	Date of approval by the Board	Not applicable
f)	Amount paid as advances	Not applicable

Note : During the year under review, the Company has entered in to transactions with the wholly owned subsidiaries

On behalf of the Board

Chintan V. Valia
Non Executive Director
(DIN:05333936)

Khyati Valia
Non Executive Director
(DIN: 03445571)

Mumbai, 17th May, 2017

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. Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2017 is Four Directors. Out of these Directors, three are Independent Directors and one Woman Director thus comply with the requirement of the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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		Chairman ship	Member ship
Mr. Chintan V. Valia (1) (DIN : 05333936)	NED	6	Yes	11	04	03
Mrs. Khyati Valia (1) (DIN : 03445571)	NED	5	No	04	---	01
Mr. Pankaj Bhuta (DIN : 00171570)	NE-ID	6	Yes	02	01	02
Mr. Alok Kumar Misra (2) (DIN : 00163959)	NE-ID	4	NA	02	01	02
Mr. Nishit Dhruva(3) (DIN: 01641751)	NE-ID	2	No	03	01	01
Mrs. Deena Mehta(4) (DIN:00168992)	NE-ID	4	No	09	02	01

NED – Non Executive Director

NE ID – Non Executive Independent Director

(1) Mr. Chintan V. Valia and Mrs. Khyati Valia are related to each other

(2) Appointed w. e. f. 16th September, 2016

(3) Resigned w. e. f. 24th August, 2016.

(4) Resigned w. e. f. 29th March, 2017

Changes in Directorate during the financial year:

- Mr. Alok Kumar Misra has been appointed as an Additional Independent Director of the Company w. e. f. 16th September, 2016
- Mr. Nishit Dhruva and Mrs. Deena Mehta resigned w. e. f. 24th August, 2016 & 29th March, 2017 respectively.

Notes:

- As on 31st March, 2017 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 8 companies, companies incorporated outside India and alternate directorships.
- Memberships and/or Chairmanships of the Board Committees include Audit Committee and Stakeholder Relationship Committee.

- The Company did not have any pecuniary relationship or transactions with Non- Executive Directors during the year ended 31st March, 2017 except for the payment of sitting fees.

b) Number of Board Meetings

During the year 2016-2017, the Board of Directors met six times:

The maximum gap between any two meetings had been not more than 120 days. 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.	24th May, 2016	5	4
2.	8th August, 2016	5	5
3.	14th November, 2016	5	5
4.	12th December, 2016	5	5
5.	31st January, 2017	5	4
6	31st March, 2017	4	4

c) Exclusive meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 31st March, 2017 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.

d) Number of shares held as on 31st March, 2017 by non promoter Directors :

Mr. Pankaj Bhuta - 7,729 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 four major Board level committees a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee, and d) 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. Alok Kumar Misra. In compliance with Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, two members of the Audit Committee including the Chairman of the committee are independent Directors. All the members are 'financially literate' as required by Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have 'accounting or related financial management expertise'.

Terms of reference

The broad terms and reference of Audit Committee are

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (e) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (f) changes, if any, in accounting policies and practices and reasons for the same;
- (g) major accounting entries involving estimates based on the exercise of judgment by management;
- (h) significant adjustments made in the financial statements arising out of audit findings;
- (i) compliance with listing and other legal requirements relating to financial statements;
- (j) disclosure of any related party transactions;
- (k) modified opinion(s) in the draft audit report;
- (l) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (m) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (n) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (o) approval or any subsequent modification of transactions of the Company with related parties;
- (p) scrutiny of inter-corporate loans and investments;
- (q) valuation of undertakings or assets of the Company, wherever it is necessary;
- (r) evaluation of internal financial controls and risk management systems;
- (s) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (t) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (u) discussion with internal auditors of any significant findings and follow up there on;
- (v) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (w) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (x) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (y) to review the functioning of the whistle blower mechanism;
- (z) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (aa) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) statement of deviations:
- g) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Table 3 : Attendance in audit committee meeting

Sr. No.	Date of Committee meetings	Total strength of the Committee	No. of members present
1.	24th May, 2016	3	3
2.	8th August, 2016	3	3
3.	14th November, 2016	3	3
4.	12th December, 2016	3	3
5.	31st January, 2017	3	3
6.	31st March, 2017	3	3

The Audit Committee met six times during the year under review on 24th May, 2016; 8th August, 2016, 14th November, 2016, 12th December, 2016, 31st January, 2017 and 31st March, 2017

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	6
2.	Mr. Chintan Valia - Non Executive Director	Member	6
3.	Mr. Nishit Dhruva - Independent Director (1)	Member	2
4.	Mr. Alok Kumar Misra – Addl. Independent Director (2)	Member	4

(1) Mr. Nishit Dhruva resigned w. e. f. 24th August, 2016

(2) Mr. Alok Kumar Misra appointed w. e. f. 16th September, 2016

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) Stakeholders 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.

Terms of reference

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

In addition to the above, the committee shall also

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' / shareholders' / security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The committee consists of three Non Executive Directors

During the year under review, four meetings were held on 24th May, 2016; 8th August, 2016, 14th November, 2016 and 31st January, 2017.

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 (1)	Member	2
4	Mr. Alok Kumar Misra - Addl. Independent Director (2)	Member	2

(1) Mr. Nishit Dhruva resigned w. e. f. 24th August, 2016

(2) Mr. Alok Kumar Misra appointed w. e. f. 16th September, 2016

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 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.

The Company does not have any executive directors on the Board.

Terms of reference

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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 (1)	Chairman	-
2.	Mr. Chintan V. Valia - Non Executive Director	Member	1
3.	Mr. Pankaj Bhuta - Independent Director	Member	1
4.	Mr. Alok Kumar Misra - Addl. Independent Director (2)	Member	1

(1) Mr. Nishit Dhruva resigned w. e. f. 24th August, 2016

(2) Mr. Alok Kumar Misra appointed w. e. f. 16th September, 2016

Terms of reference

The purpose of Nomination and Remuneration 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 said Act 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 Employees Stock Options, Superannuation Fund, Gratuity Fund etc.

The Nomination and Remuneration 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 Nomination and Remuneration Committee recommends/reviews remuneration/compensation to executive directors, based on performance and pre-determined criteria.

The Nomination and 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 5th October, 2016 The meeting was attended by all the members.

e) Internal Finance Committee

The broad terms of reference are as follows:

- Review of Company's financial policies 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.
- To decide, manage, approve and take on record any matter or clarification pertaining to the raising of funds through issue of shares by the Company
- To invest surplus funds of the Company for short term or long term in securities, debt market, debentures, mutual funds government securities, commercial papers, inter corporate deposits, fixed deposits in companies, banks financial institutions and to disinvest the investments at any time subject to the approval of members as may be required from time to time
- To decide, manage, approve and take on record any matter or clarification pertaining to the raising of funds through issue of shares by the Company.

Table 7 : 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 (1)	Member
4.	Mr. Alok Kumar Misra - Addl. Independent Director (2)	Member

(1) Mr. Nishit Dhruva resigned w. e. f. 24th August, 2016

(2) Mr. Alok Kumar Misra appointed w. e. f. 16th September, 2016

During the year under review one meeting was held on 25th April, 2016

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 Regulation 24 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on audited financial statements for the year ended 31st March, 2017 Fortune Credit Capital Limited, Antique Stock Broking Limited and ITI Reinsurance Limited are the material non-listed subsidiary companies.

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 Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chintan V. Valia Director and Mr. Muthukummar Ganesan, Chief Financial Officer of the Company have certified to the Board that for the financial year ended 31st March, 2017 the Company has complied with the requirements of the said sub clause.

f) Pledge of equity shares of the Company

As on 31st March, 2017 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 8th September, 2017.

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

b) Means of communication

The Company's website 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

- **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 8: The details of the last three Annual General Meetings:

Year	Date & Time	Venue	Details of the special resolutions passed	
2016	8th August, 2016 at 10.00 a m	Matunga Gujarati Club Limited, K. K. Shah Conference Hall, 2nd Floor, Nathalal Parekh Marg, Near Arora Cinema, Matunga, Mumbai - 400 019	1	Appointment of Mrs. Deena Mehta as an Independent Director.
2015	13th August, 2015 at 11.00 a m	Naman Midtown, "A" Wing, 20th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013	1	Alteration of Memorandum of Association for inserting new object clause
			2	Loans and Investments by Company under section 186 of the Companies Act, 2013
			3	Amendments to the Memorandum of Association of the Company
			4	Adoption of new set of Articles of Association of the Company inter-alia pursuant to Companies Act, 2013
			5	Related Party Transaction

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

Table 9 : Postal Ballot

During the year under review two resolutions were passed through Postal Ballot :

Sr. No.	Date of Postal Ballot Notice	Date of passing of the resolutions	Particulars of resolutions passed through Postal Ballot
1.	22nd December, 2016	27th January, 2017	Alteration of Object Clause of the Memorandum of Association of the Company
2.	22nd December, 2016	27th January, 2017	Approval for related party transactions

In terms of the provisions of Rule 22 of the Companies (Management & Administration) Rules, 2014, Mr. Dinesh Kumar Deora, a Practicing Company Secretary, was appointed as Scrutinizer for conducting Postal Ballot.

Notice of the Postal Ballot along with Explanatory Statement, Postal Ballot Form and Self addressed postage prepaid envelope were sent to the shareholders of the company and all other persons who were entitled to receive the same.

The Postal Ballot Forms received up to the closing hours on 23rd January, 2017 were considered for determining the votes.

The result for the postal ballot was announced by the Director of the company on 27th January, 2017 at 5.00 p m at the registered office situated at Naman Midtown, "A" Wing, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013 .

Table 10 : Postal Ballot Results

Resolutions	Particulars		
	No. of valid votes polled	Votes casted in favour of the Resolution	Votes casted against the Resolution
Item No. 1 (Special Resolution) Alteration of Object Clause III of the Memorandum of Association of the company	4,04,33,828	4,04,33,813	15
Item No. 2 (Ordinary Resolution) Approval for related party transactions for acquiring equity shares of Suraksha Asset Reconstruction Private Limited	29,36,382	29,25,014	11,368

During the year no extra ordinary general meeting was held.

• **Ensuing Annual General Meeting:**

Day & Date : Friday, 8th September, 2017

Time : 10.00 a m

**Venue : Matunga Gujarati Club Limited, M. V. Savani Hall, 2nd Floor,
Nathalal Parekh Marg, Near Arora Cinema, Matunga, Mumbai - 400 019**

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 6th September, 2017 (before 10.00 a m)

Table 11 : Financial Calendars

Financial Year	April 2016 – March 2017
First quarter results	September 2017
Second quarter results	November 2017
Third quarter results	February 2018
Annual audited results	May 2018

- **Book closure** : 3rd September, 2017 to 8th September, 2017 (both days inclusive)
- **Listing of shares** : BSE Limited
- **Stock Code** : 530023
- **Group** : XC
- **ISIN** : INE924D01017

Table 12 : FFSIL share price vis-a-vis sensdex form April 2016 to March 2017

Month	FFSIL share price (face value ₹ 10/-)		Close	BSE Sensex		No. of shares traded	No. of Trades
	High	Low		High	Low		
	(₹)						
April 2016	159.10	127.00	142.40	26,100.54	24,523.20	1,35,316	788
May 2016	170.00	130.10	150.00	26,867.20	25,057.93	4,40,851	1,803
June 2016	175.00	145.20	174.00	27,105.41	25,911.33	3,16,379	487
July 2016	288.50	168.10	265.00	28,240.20	27,034.14	3,29,253	2,460
August 2016	294.80	241.30	256.45	28,532.25	27,627.97	1,84,264	1,205
September 2016	283.00	240.10	259.00	29,077.28	27,716.78	1,73,686	1,235
October 2016	410.00	253.10	392.50	28,477.65	27,488.30	5,80,885	3,040
November 2016	399.00	255.00	314.20	28,029.80	25,717.93	2,48,606	1,581
December 2016	380.00	277.00	355.30	26,803.76	25,753.74	1,52,979	1,578
January 2017	380.00	309.00	310.80	27,980.39	26,447.06	1,35,820	1,960
February 2017	357.95	272.95	331.25	29,065.31	27,590.10	1,90,545	3,635
March 2017	342.50	286.50	309.30	29,824.62	28,716.21	86,746	1,499

Source: www.bseindia.com

Table 13 : Performance of share price of the Company in comparison to BSE Sensex

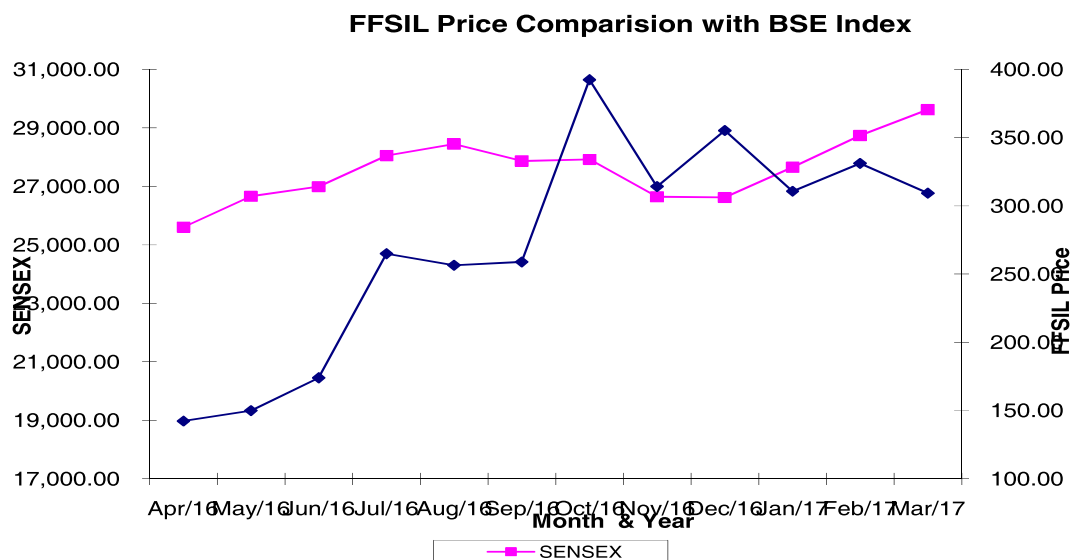


Table 14 : Shareholding pattern

Category	No. of shares	% of shareholding	No. of shares	% of shareholding
	As on March 31 2017		As on March 31 2016	
Promoters				
Indian Promoters & Promoter Group	3,76,77,446	73.84	1,86,12,017	65.66
Non Promoters				
NRIs (including Foreign Corporate Bodies)	56,46,887	11.07	39,38,937	13.89
Corporate Bodies	14,70,215	2.88	24,14,190	8.52
Indian Public	62,29,219	12.21	33,80,846	11.93
Total	5,10,23,767	100.00	2,83,45,990	100.00

Table 15 : Distribution of shareholding

Category	No. of share holders	% to total	Share holding in ₹	% to total	No. of share holders	% to total	Share holding in ₹	% to total
	As on March 31 2017				As on March 31 2016			
Up to 5,000	2,099	80.05	31,17,000	0.61	1,414	81.31	21,21,120	0.75
5,001 - 10,000	223	8.51	17,77,980	0.35	123	7.07	9,76,130	0.34
10,001 - 20,000	118	4.50	17,59,310	0.34	73	4.20	11,26,380	0.40
20,001 - 30,000	36	1.37	8,97,040	0.17	33	1.90	8,25,900	0.29
30,001 - 40,000	14	0.53	4,97,190	0.10	14	0.80	5,27,480	0.19
40,001 - 50,000	17	0.65	8,01,630	0.16	9	0.52	4,08,780	0.14
50,001 - 1,00,000	40	1.53	28,52,460	0.56	26	1.50	19,08,930	0.67
1,00,000 & above	75	2.86	49,85,35,060	97.71	47	2.70	27,55,65,180	97.22
Total	2,622	100.00	51,02,37,670	100.00	1,739	100.00	28,34,59,900	100.00

Table 16 : Category wise summary of shareholding

Category	No. of Share holders	No. of shares	% of Share holding	No. of Share holders	No. of shares	% of Share holding
	As on March 31 2017			As on March 31 2016		
Resident Individuals	2,384	77,61,809	15.21	1,580	43,03,053	15.18
Foreign Corporate Bodies	2	30,64,200	6.01	2	27,99,000	9.87
Foreign Institutional Investors	2	24,87,800	4.88	2	10,63,690	3.75
Bodies corporate	75	3,73,66,559	73.23	65	2,00,36,705	70.69
HUFs	87	1,75,618	0.34	60	61,570	0.22
Non Resident Indians	31	94,887	0.19	20	76,247	0.27
Others	41	72,894	0.14	10	5,725	0.02
Total	2,622	51023,767	100.00	1,739	2,83,45,990	100.00

• **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 17 : The breakup of the shares held in physical & demat form

Particulars	No. of shares	%	No. of shares	%
	As on March 31 2017		As on March 31 2016	
Held in Demat form				
- CDSL	86,04,634	16.86	69,75,939	24.61
- NSDL	4,21,63,638	82.64	211,11,436	74.48
Held in physical form	2,55,495	0.50	2,58,615	0.91
Total	5,10,23,767	100.00	2,83,45,990	100.00

In terms of circular No. Cir/ISD/3/2011 issued by SEBI, the entire shareholding of the promoters and promoter group as on March 31 2017 is in demat form.

Table 18 : Details of funds raised during the last three financial years

Financial year	Particulars	Amount raised (₹ in lakhs)	Impact on paid up equity capital of the Company
2015-2016	No issue of shares during the year	---	Not applicable
2014-2015	Allotment of 1,54,66,700 equity shares of ₹ 10 each at a premium of ₹ 65 per equity share to the promoters and promoter group on preferential basis	11,600.03	On issue of 1,54,66,700 equity shares of ₹ 10 each fully paid, the total paid up equity capital increased from ₹ 1,287.93 lakhs divided in to 1,28,79,290 equity shares of ₹ 10 each fully paid to ₹ 2,834.60 lakhs divided in to 2,83,45,990 equity shares of ₹ 10 each fully paid
2013-2014	No issue of shares during the year	---	Not applicable

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

Table 19 : Dividend history

Financial year ended	Dividend per equity share of ₹ 10 each fully paid
	(₹)
March 31, 2012	0.50
March 31, 2011	2.00
March 31, 2010	2.50

As required under section 124 (5) of the Companies Act, 2013 the Company has transferred a sum of ₹ 2,92,059/- to the Investor Education and Protection Fund (IEPF) during the year under review towards unclaimed dividend for the financial year 2008- 2009.

• 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 20 : Address for shareholders' correspondence

Company Secretary & Compliance Officer Fortune Financial Services (India) Limited Registered Office : Naman Midtown, "A" Wing, 21 st Floor Unit No. 2103, Senapati Bapat Marg Elphinstone Road, Mumbai 400 013 Telephone : +91-022- 4027 3600 Fax : +91-022- 4027 3700 e-mail : cosecretary@ffsil.com Website : www.fortune.co.in CIN : L65910MH1991PLC062067	Registrar and Share Transfer Agent : Purva Sharegistry (India) Private Limited (Unit : Fortune Financial Services (India) 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 : +91-22-2301 2517 e-mail : busicomp@gmail.com purvashare@gmail.com Website : 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 Regulation 27 (2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all mandatory requirements under Regulation 27 (2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.

- **Whistle Blower Policy & Vigil Mechanism:**

The Company has formulated Whistle Blower Policy and established Vigil Mechanism for the directors and employees of the Company to report, serious and genuine unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or ethics policy. It also provides adequate safeguards against victimization of persons, who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. None of the employees of the Company has been denied access to the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board is uploaded on the Company's website at the web link <http://www.fortune.co.in/compliance.aspx>.

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

The Company has obtained a certificate from the auditors of the Company, certifying the compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is annexed to the corporate governance report and forms part of the annual report.

- **Compliance of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent three reminders to the shareholders whose share certificates have been returned undelivered.

- Disclosure under Regulation 46 (2) (n) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Other Disclosures

i. Related party transactions

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business. These are been placed before the audit committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link-<http://www.fortune.co.in/compliance.aspx>

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively: NIL
- The Company has adopted Policy on Determination of Materiality for Disclosures (<http://www.fortune.co.in/compliance.aspx>).
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
 - The Company does not have the Chairman and the Managing Director.
 - The auditor's report on statutory financial statement of the Company are unqualified.
 - Sandeep R. Maheshwari & Co the internal auditors of the Company make presentations to the audit committee on their reports.

v. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the total issued and listed equity share capital. The audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL.

vi. Code of Conduct:

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31st, 2017. The annual report of the Company contains a certificate from the Director in terms of SEBI Listing regulations. The Policy has also been uploaded on the company's website (<http://www.fortune.co.in/compliance.aspx>)

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 Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the events as referred in Part A of Schedule III of the said regulations have been complied by the Company and the items referred in Part B of the Schedule III 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 Shareregistry (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 200 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 2008-2009 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 31/03/2017	Last date for claiming the dividend amount	Last date for transfer to the Fund
			(₹ 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

• 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 Shareregistry (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.

Certificate for adherence to the Code of Conduct

[pursuant to Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

Declaration by the Director

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2017.

Chintan V. Valia
Director
(DIN : 05333936)

Mumbai, 17th May, 2017

COMPLIANCE CERTIFICATE

[pursuant to Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

Director and Chief Financial Officer certification

We, Chintan V. Valia, Director and S. G. Muthu Kumar, 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 and that to the best of their knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee

- (1) significant changes, if any, in internal control over financial reporting during the year;
- (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Chintan V. Valia
Director
(DIN:05333936)

S. G. Muthu Kumar
Chief Financial Officer

Mumbai, 17th May, 2017

MANAGEMENT DISCUSSION & ANALYSIS

COMMENTS ON ECONOMIC DATA

The fiscal year 2016-17 saw the following important events:

1. After two years of indifferent rains, the year 2016-2017 witnessed good monsoon rains, which had an impact on agricultural production. This resulted in a higher growth rate of 4.9% in this sector as against 0.7% in the previous year. Favourable price developments reflect prudent macro-economic management, resulting in higher agricultural production, especially in pulses.
2. The Govt. demonetised high value currency notes of denomination of ₹ 500 and ₹ 1000 on 8th November, 2016. Demonetisation has strong potential to generate long-term benefits in terms of reduced corruption, greater digitisation of the economy, increased flow of financial savings and greater formalisation of the economy, all of which would eventually lead to higher GDP growth and tax revenues.
3. The passage of the Constitution Amendment Bill for GST and the progress for its implementation holds massive advantages for the economy in terms of spurring growth, competitiveness, indirect tax simplification and greater transparency and increased revenue.

Despite the pains and disruption caused to economic activities during the demonetisation exercise, GDP growth, measured by the new methodology adopted (based on 2011-12 series) saw the economy growing by 6.6% as against the growth of 7.9% in the previous fiscal.

India's macro-economic stability continues to be the foundation of economic success. CPI inflation declined from 6% in July 2016 to 3.4% in December, 2016 and is expected to remain within RBI's mandated range of 2% to 6%. India's Current Account Deficit declined from about 1% of GDP last year to 0.3% of GDP in the first half of 2016-17. Foreign Direct Investment (FDI) increased from ₹ 1,07,000 crores in the first half of last year to ₹ 1,45,000 crores in the first half of 2016-17. This marks an increase by 36%, despite 5% reduction in global FDI inflows. Foreign exchange reserves have reached 361 billion US Dollars as on 20th January, 5 2017, which represents a comfortable cover for about 12 months of imports.

Current Account Deficit (CAD)

One of the important macro-economic achievements over the last 5 years has been the lowering of the current account deficit from a record high of 26.7% in 2011-12 to a manageable 2.1% in 2016-2017, in spite of the adverse trading conditions globally.

Exports of goods and services have progressively grown at a CAGR of 2.5% every year, while imports of goods and services have actually declined at a CAGR of 1.8% every year. This has resulted in the CAD coming down progressively year after year. This data also shows the importance of services in the economy and in particular the exports of services (including IT and outsourcing) now play a prominent role in the economy.

Inflation

In the year 2016-17, the rise in price of primary articles, mainly food items was a result of the effect of deficient rains in the previous year. This was moderated later. Crude oil prices were relatively stable despite the rise in crude from \$48 to \$55 and this was reflected in the numbers pertaining to fuel & power. Still the macro-economic management of the country's economy ensured that the inflation remained range bound, as evidenced by only 2.7% growth in WPI (Wholesale price index).

GVA/GDP AT CONSTANT PRICES (BASED ON 2011-12 SERIES)

(₹ in crores)

Industry / Year	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Agriculture, Forestry & Fishing	15,01,816	15,24,398	16,09,060	16,06,140	16,17,208	16,96,175
Mining & Quarrying	2,61,035	2,59,479	2,67,629	2,93,821	3,24,740	3,30,485
Manufacturing	14,09,986	14,92,763	15,68,508	16,89,504	18,72,115	20,19,927
Electricity, Gas, water supply and other utility services	1,86,668	1,91,413	1,99,153	2,13,744	2,24,447	2,40,590
Construction	7,77,363	7,81,947	8,05,484	8,38,203	8,79,782	8,94,668
Trade, Repairs, Hotels & restaurants	8,83,582	9,80,177	10,37,337	11,30,342	12,57,613	13,84,506
Transport, Storage, communication and services related to broadcasting	5,29,535	5,69,313	6,16,968	6,70,577	7,31,548	7,59,450
Financial, Real estate & professional services	15,30,691	16,79,124	18,64,320	20,75,549	22,98,798	24,29,638
Public administration, defense & other services	10,25,982	10,69,515	11,10,789	12,04,143	12,84,263	12,84,263
GVA at basic price	81,06,558	85,48,229	90,79,248	97,19,024	1,04,90,515	1,11,85,441

(in ₹ Crore)

Trade	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Exports of goods & services	21,43,931	22,86,611	24,53,005	25,10,405	23,75,780	24,29,413
		6.7%	7.3%	2.3%	-5.4%	2.3%
Imports of goods & services	27,15,554	28,77,291	26,36,313	26,66,744	25,10,401	24,80,531
		6.0%	-8.4%	1.2%	-5.9%	-1.2%
Trade Deficit	(5,71,623)	(5,90,680)	(1,83,308)	(1,56,339)	(1,34,621)	(51,118)
Inflation - % rise yoy basis	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Wholesale Price Index (WPI)	3.70	(2.50)	2.00	6.00	7.40	8.90
Primary articles	4.80	0.30	3.00	9.80	9.80	9.80
Fuel & Power	5.60	(11.60)	(0.90)	10.10	10.40	14.00
Manufactured Products	2.60	(1.10)	2.40	3.00	5.40	7.20

Capital Markets & Commodity Markets

The deepening of economic reforms, pick up in industrial activity despite demonetisation, continued inflow of FII (Foreign Institutional Investors) funds and expectations of political stability following the ruling party's victory in UP polls all contributed to a sustained rise in the Sensex from 25,629 in April 16 to 29,275 in March 17.

Turnover in the cash segment for the first nine months of the fiscal under review was also higher than in the earlier year. This strengthens the long term outlook of the economy and the strong fundamentals. The same sentiment prevails in the commodity markets.

Cash market average daily turnover	BSE	NSE	Total
	(₹ in crores)		
2010-2011	4,333	14,029	18,362
2011-2012	2,681	11,289	13,970
2012-2013	2,195	10,833	13,028
2013-2014	2,078	11,189	13,267
2014-2015	3,518	17,818	21,336
2015-2016	2,996	17,154	20,150
2016-2017 (up to Dec. 2016)	3,097	19,453	22,550

Commodity Markets - turnover	(₹ in crores)
2010-2011	98,41,502
2011-2012	155,97,095
2012-2013	148,81,057
2013-2014	86,11,449
2014-2015	51,83,707
2015-2016	56,34,194
2016-2017 (up to Dec. 2016)	46,21,671

The FMC data made available for the financial years 2016-2017 and 2015-2016 indicate that trade in energy and metals have increased on a year to year basis while that of agricultural commodities and bullion have decreased. These point out to changing preferences and increased sophistication of commodity markets.

Break up and Growth of Different commodities:

(₹ in crores)

	2015-2016	% of share in overall trade	2014-2015	% of share in overall trade
Agriculture	---	---	1,10,268	2.10
Metals	15,05,004	27.30	12,74,213	24.60
Bullion	20,70,147	37.60	21,53,427	41.50
Energy	19,37,345	35.10	16,45,799	31.70
Overall	55,12,496	100.00	51,83,707	100.00

Mutual Funds

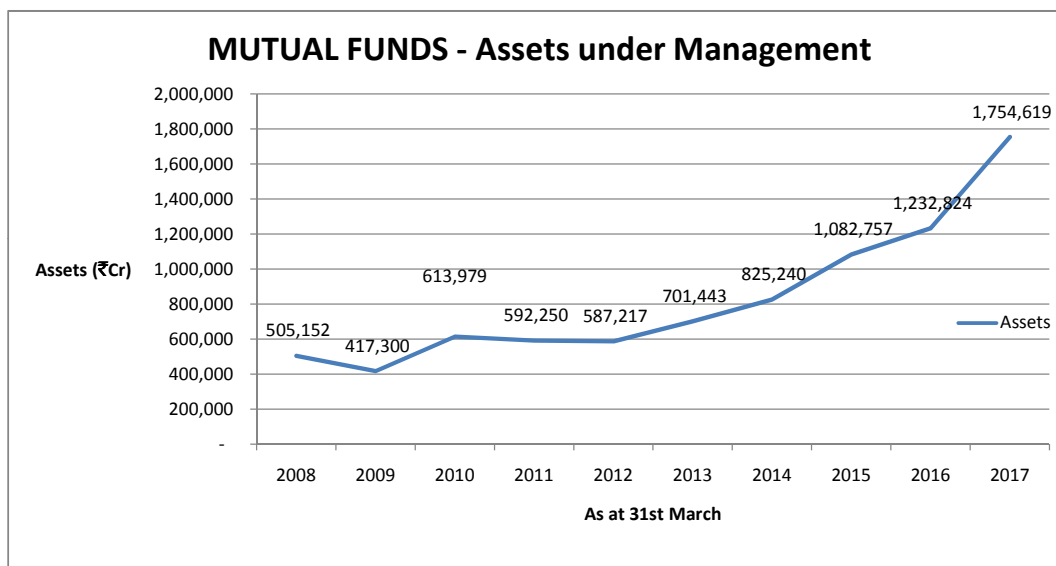
The net resource mobilization by Mutual Funds was the highest in FY 2016-2017 and of the order of ₹ 3,43,049 crores. This could also be partly attributable to the effects of demonetisation and also to falling yields on bank fixed deposits.

The assets under management (AUM) of the various mutual funds also increased by 42% over the previous financial year to touch ₹ 17,54, 619 crores for the year ending 31st March 2017.

Financial Year	Sales	Redemptions	Net mobilization
(₹ in Crores)			
2016-2017	176,15,549	172,72,500	343,049
2015-2016	137,65,555	136,31,375	134,180
2014-2015	110,86,260	109,82,972	103,288
2013-2014	97,68,401	97,14,318	54,083
2012-2013	72,67,885	71,91,346	76,539
2011-2012	68,19,679	68,41,702	(22,023)
2010-2011	88,59,515	89,08,921	(49,406)
2009-2010	100,19,023	99,35,942	83,081
2008-2009	54,26,353	54,54,650	(28,297)
2007-2008	44,64,376	43,10,575	153,801

Assets under management

Financial Year	(₹ in Crores)
2016-2017	17,54,619
2015-2016	12,32,824
2014-2015	10,82,757
2013-2014	8,25,240
2012-2013	7,01,443
2011-2012	5,87,217
2010-2011	5,92,250
2009-2010	6,13,979
2008-2009	4,17,300
2007-2008	5,05,152



NBFCs :

Non Banking Finance Companies (NBFC)

NBFC's have been playing a very important role both from the macroeconomic perspective and the structure of the Indian Financial System. NBFC's also playing a role in providing seamless hassle free credit to various lenders for meeting their financial requirements. Of late, the banking regulator i.e. Reserve Bank of India (RBI) has been bringing out regulations which tighten the operating environment and the regulatory framework in which the NBFC's operate. As a result, NBFC sector is witnessing a churning with majority of the smaller NBFC's (deposit taking) opting for either merger or closure and some larger ones getting converted into Non deposit taking NBFC's.

NBFC's can be classified into two categories:

- NBFC's accepting public deposits (NBFC's – D) and
- NBFC's not accepting public deposits (NBFC's – ND) and

NBFC's can be 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.

Year	No. of registered NBFCs	No. of NBFCs taking Deposits	No. of NBFCs not taking Deposits
2017	11,345	202	240
2016	12,193	220	59
2015	11,913	240	41
2014	12,385	254	375
2013	12,409	271	319
2012	12,630	297	260
2011	12,740	308	234
2010	12,809	336	189
2009	12,968	365	173

Vehicle Financing

Vehicle Sales

Data on the total number of vehicles sold in the fiscal 2016-17 indicate that sales of commercial vehicles and three-wheelers were low, while there was a pickup in passenger vehicles and two wheelers. Though these are early trends, the pickup in sales of passenger vehicles and that of two wheelers indicate that the demand for motor cars is gradually picking up which is a positive development. This may also increase the activities of vehicle financing companies including NBFC's.

The operating environment over the past 6-9 months for commercial vehicles and passenger vehicles seems to have been stabilised due to fuel prices staying stable and relatively firm freight rates, implying improvement in cash flows. The Society of Indian Automobile Manufacturers (SIAM) has estimated that growth in overall passenger vehicle segment is likely to improve slightly to 5-7% on the back of continued demand for diesel vehicles, which is expected to push the growth of utility vehicle sales. In the commercial vehicle segment, sales of medium and heavy commercial vehicles (MCV and HCV) are also expected to improve.

This will provide an opportunity to NBFC's who are in vehicle financing to clearly focus on their operations. Commercial vehicle loans are generally provided by NBFC's to individuals, partnership firms/proprietorship firms, HUF's, self-employed and businessmen amongst others. Commercial vehicle loans are available for a variety of vehicles. However, NBFC's have to compete with banks for providing such loans and the latter have an advantage due to larger funds available at cheaper rates and faster turnover time in approvals.

The problem of rising Non-performing Assets (NPA's) in the banking sector gives a favourable platform to NBFC's to increase their presence in this sector and capture a share of the vehicle financing business.

Domestic Sales trends (Nos.)	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Passenger Vehicles	26,65,015	25,03,509	26,01,236	27,89,208	30,46,727
Growth rate (%)		(6.10)	3.90	7.20	9.20
Commercial Vehicles	7,93,211	6,32,851	6,14,948	6,85,704	7,14,232
Growth rate (%)		(20.20)	(2.80)	11.50	4.20
Three wheelers	5,38,290	4,80,085	5,32,626	5,38,208	5,11,658
Growth rate (%)		(10.80)	10.90	1.00	(4.90)
Two wheelers	1,37,97,185	1,48,06,778	1,59,75,561	1,64,55,851	1,75,89,511
Growth rate (%)		7.30	7.90	3.00	6.90
Grand Total	1,77,93,701	1,84,23,223	1,97,24,371	2,04,66,971	2,18,62,128
Growth rate (%)		3.50	7.10	3.80	6.80

Insurance

In the current year, the total non-life premium in the General Insurance Industry is expected to grow from ₹ 127,631 Crores in FY 2016-2017 to about ₹ 145,000 Crores in the FY 2017-2018, with strong growth expected in Crop insurance and increased spending in Medical and Motor segments. With an expected turnaround in the economy, it is also expected that the property and casualty segments will also pick up and show improved growth.

There are also favourable developments in the original pricing levels of many segments like Property, Motor Third Party as well as Health. IRDAI has also granted licenses to foreign reinsurers to start their Indian operations through their Indian branches. This is expected to increase the capacity and retentions in the Indian market in line with the objective of the Govt. to make India a reinsurance hub. Your Company has the necessary talents and skills to exploit this opportunity and is confident of establishing itself as a "reinsurer of choice" in the years to come.

Business review and analysis for the financial year ended March 2017

At 'Fortune' we had our eyes focused on our enterprising theme to INNOVATE & INNITATE. We devoted a great share of our energies and resources to thoroughly revamp every vertical of our business by innovating numerous concepts, plans, strategies & tactics and simultaneously initiating the same into action. This translated into a better future and our businesses grew by leaps and bounds. 'Fortune' has delivered superior performance by way of increased revenues, enhanced profits, heightened new clients

empanelment, spreading geographical presence and maturing product range with improvements across all key parameters as compared to the last fiscal.

The consolidated revenue increased by 19% from ₹ 14,153.11 Lakhs to ₹ 16,838.41 Lakhs. During the year under review, the Company reported consolidated profit of ₹ 2,731.52 Lakhs as against consolidated profit of ₹ 566.38 Lakhs during the previous year.

More important amongst our primary objectives with immediate focus are:

- Create and sustain industry leadership by continually driving the frontiers of operational excellence;
- Enhance customer experience and solution delivery;
- Improve resource utilization;
- Upgrade support processes.

Risk and Concern

Risk is inevitable in business and risk management is all about risk reduction and avoidance. There are various risks associated with the Company - portfolio risk, industry risk, credit risk, internal control risk, technology risk, regulatory risk, human resources risk, competition risk and perception risk. The Company has established systems and procedures for risk management associated with the business while simultaneously creating an environment conducive for its growth. It has comprehensive integrated risk management framework that comprise of clear understanding of company's strategy, policies, initiatives, norms, reporting and control at various level. The Company believes that the risk management process would strengthen the decision-making, planning and implementation process.

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, it has in place 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. As 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.

Human Resources

This financial was a challenging year for the industry, more so for the HR departments across organisations. The economic turbulences & their social consequences dominated the HR landscape for quite some time. However despite all the limitations posed by the macroeconomic transformations, we managed to differentiate ourselves with the rest by leveraging upon the inherent strengths of the talent pool and improvising the same to suit the new circumstances.

Thus this year was a time for rationalizing the structures and streamlining the processes not only 'of' the people, but also 'for' the people and their functioning. Enterprise wise success was facilitated by virtue of our firm belief in the principles of 'empowerment' of the capable and the deserving.

Not resting upon our tremendous successes, we decided to enhance our faculties by further challenging ourselves. To this light, we declared the year 2017 as the year to 'Innovation & Initiate' conventional and out of the box methodologies thereby expanding the horizons of our conventional wisdom. Our effort has been uncompromisingly successful. The result has been the launch of a series of programs and processes never before experienced in the company, all being met with thundering applause from all and sundry.

We aim to continue on the continual path of pursuing excellence through unorthodox means and orthodox theology. The coming year will see us harnessing the maximum benefits from these initiatives, unleashing the power of human capital that Fortune represents.

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.



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 March 31, 2017 as per Regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of Internal Control and procedure to ensure Compliance with the conditions of the Corporate Governance Stipulated for the Listing Regulations.

Auditor's Responsibility

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.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note') issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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 with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions of Use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No.: 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017

Independent Auditors' 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 Company') and its subsidiary companies (the Company and its subsidiaries together referred as 'the Group') and its associate companies, which comprise the Consolidated Balance sheet as at March 31, 2017, 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 ('the Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the Consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Group and its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate companies respectively and for preventing and detecting frauds and other irregularities; the 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 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 presentation of these Consolidated Financial Statements by the Board of Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated 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 auditors' 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. 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 auditors 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, 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:

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its associate companies as at March 31, 2017;
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group and its associate companies for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group and its associate companies for the year ended on that date.

Emphasis of matter

We draw attention to Note 38, 39 and 40 to the Consolidated Financial Statements regarding:

- a. the Scheme of Amalgamation ("Scheme 1") between the Company and The Investment Trust of India Limited (Formerly known as ITI Wealth Management Private Limited); subsidiary, with effect from "appointed date" of January 1, 2016 which is approved by the Hon'ble High Court of Bombay. As stated in the said Note, the approvals & sanctions of the Scheme 1 from the Hon'ble High Court of Chennai/National Company Law Tribunal ("NCLT") are pending;
- b. the Scheme of Arrangement ("Scheme 2") between Company, United Petro Finance Limited, an associate, and Fortune Credit Capital Limited, a wholly owned subsidiary, with effect from March 31, 2017 (appointed date) which was approved by the board of directors of the Company on March 31, 2017. As stated in the said Note, approvals & sanctions of the Scheme 2 from the stock exchange, the National Company Law Tribunal ("NCLT"), Reserve Bank of India (RBI) and other applicable regulatory authorities are pending; and
- c. the Scheme of Amalgamation ("Scheme 3") for amalgamation of Fortune Integrated Assets Finance Limited, an associate, with Company with effect from March 31, 2017 (appointed date) which was approved by the board of directors of the Company on April 25, 2017. As stated in the said Note,



approvals & sanctions of the Scheme 3 from the stock exchange, National Company Law Tribunal ("NCLT"), Reserve Bank of India (RBI) and other applicable regulatory authorities are pending.

The Company's consolidated financial statements have been prepared independently without giving effect of the above mentioned Scheme 1, Scheme 2 and Scheme 3. The effect of the above mentioned Scheme 1, Scheme 2 and Scheme 3 will be given in the Consolidated Financial Statements of the Company, in the financial year in which all the sanctions or orders as specified are obtained and/or filed.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of four subsidiaries (including one step down subsidiary) which constitute total assets of ₹ 7,342.23 lakhs as at March 31, 2017, total revenue of ₹ 1465.08 lakhs, net profit of ₹ 185.16 lakhs and net inflow amounting to ₹ 519.43 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.

We did not audit the financial statements of one associate company including wholly owned subsidiary of such associate company. The Consolidated Financial Statements include net carrying cost of investment of ₹ 5,980.96 lakhs and profit of ₹ 760.36 lakhs in respect of an associate including wholly owned subsidiary of such associate. These financial statements have been audited by the other auditors whose report has been furnished to us, and our opinion on the Consolidated Financial Statements, to the extent it has been derived from such financial statements, is based solely on the report of such auditor.

Our opinion on the Consolidated Financial Statements, 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 Section 143 (3) of the Act, we report, to the extent applicable, 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 have been kept by the Company so far as it appears from our examination of those books and the reports of other auditors.
 - 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 presentation of the Consolidated Financial Statements;
 - d. In our opinion, the Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2017, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, none of the directors of the Group and its associate companies, is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Group and its associate companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group and its associate companies.
 - g. With respect to the other matters to be included in the Auditors' 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 Group and its associate companies have disclosed the impact of pending litigations on its financial position of the Group and its associate companies in its Consolidated Financial Statements as of March 31, 2017.
 - ii. The Group and its associate companies 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 and its associate companies.
 - iv. The Company has provided requisite disclosures in its Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 41 to the Consolidated Financial Statements.)

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2017)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Fortune Financial Services (India) Limited** ("the Company") and its subsidiary companies (the Company and its subsidiaries together referred as 'the Group') and its associate companies as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements ("Consolidated Financial Statements") of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group and its associate companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matter paragraph below are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group and its associate companies has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group and its associate companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies (including one step-down subsidiary) and one associate company including wholly owned subsidiary of such associate, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Bathiya & Associates LLP

Chartered Accountants

Firm Registration No. 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017



Consolidated Balance Sheet as at March 31, 2017

(₹ in lakhs)			
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	3	5,102.38	2,834.60
b) Reserves and surplus	4	40,935.29	20,071.89
Share application money received pending for allotment		-	1.97
Minority Interest		9,002.30	236.81
Non-current liabilities			
(a) Long-term borrowings	5	10,003.33	10.51
(b) Long-term Provisions	6	204.24	40.12
Current liabilities			
(a) Short-term borrowings	7	26,595.40	7,060.52
(b) Trade payables (includes dues to micro and small enterprises: Nil (March 31, 2016 : Nil))	8	16,626.61	7,249.98
(c) Other current liabilities	9	1,873.30	1,357.20
(d) Short-term provisions	10	723.27	535.73
TOTAL		111,066.12	39,399.33
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		732.59	900.23
(ii) Intangible assets		768.77	1,250.02
(iii) Capital work-in-progress		0.35	24.88
(b) Goodwill on consolidation		294.38	227.38
(c) Non current investments	12	9,965.45	6,619.85
(d) Deferred tax assets (Net)	13	474.02	420.57
(e) Long-term loans and advances	14	2,308.21	2,715.17
(f) Other non current assets	15	313.25	232.86
Current assets			
(a) Current investments	16	30,005.66	374.59
(b) Inventories	17	3,329.32	447.27
(c) Trade receivables	18	13,959.98	5,165.56
(d) Cash and bank balances	19	35,299.30	8561.63
(e) Short-term loans and advances	20	12,915.38	11,842.24
(f) Other current assets	21	699.46	617.08
TOTAL		111,066.12	39,399.33
Significant accounting policies	1 to 2		
Notes forming part of the Financial Statements	3 to 45		

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lakhs)			
Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	22	16,560.44	13,225.60
Other income	23	277.97	927.51
TOTAL		16,838.41	14,153.11
Expenses			
Purchase of traded goods		736.66	-
Employee benefits expense	24	5,429.02	5,095.70
Finance costs	25	1,092.16	1,513.66
Depreciation and amortisation expense		818.62	845.06
Operating and other expenses	26	5,775.12	6,015.73
TOTAL		13,851.58	13,470.15
Profit before exceptional items and tax		2,986.83	682.96
Exceptional item	36	257.09	21.40
Profit before tax		3,243.92	704.36
Tax expense:			
- Current tax		1,242.56	237.98
- Tax relating to prior years (including MAT credit)		(20.48)	2.43
- Deferred tax		(53.47)	155.50
Profit after tax before minority interest		2,075.31	308.45
Minority interest		127.90	27.25
Share of profit in Associates		784.11	285.18
Net Profit after Minority Interest and Share of Profit of Associate Companies for the year		2,731.52	566.38
Earnings per equity share:			
Basic (₹)	31	5.49	1.60
Diluted (₹)	31	5.49	1.60
Significant accounting policies Notes forming part of the Financial Statements	1 to 2 3 to 45		

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary



Consolidated Cash Flow Statement for the year ended March 31, 2017

		(₹ in lakhs)
PARTICULARS	Year ended March 31, 2017	Year ended March 31, 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	3,243.92	704.36
Adjustments for :		
Depreciation and amortisation expense	818.62	845.06
Amortisation of share issue expenses	29.55	-
Loss on sale of fixed assets (net)	8.99	-
Provision for diminution in value of current investments / stock /derivatives (net)	136.62	80.21
Profit on sale of fixed assets	-	(0.42)
Net (gain)/ loss on sale of investments	(24.12)	(24.41)
Provision for doubtful debts	9.45	-
Provision for bad debts written back	-	(161.55)
Bad Debts / Sundry balances written off (net)	929.00	1,864.59
General provision against standard assets	-	53.12
Provision for non performing assets	-	90.68
Provision for non performing assets written back	-	(71.71)
Provisions for employee benefits	68.07	9.05
Exchange rate difference	-	16.44
Interest received	(1,505.36)	(386.95)
Interest expense	1,037.02	1,466.40
Dividend income	10.33	(11.13)
Operating Profit before Working Capital Change	4,762.09	4,473.74
Adjustments for :		
(Increase)/ Decrease in trade and other receivables	(9,844.81)	(2,251.36)
(Increase)/ Decrease in loans and advances	(972.33)	40,625.66
(Increase)/ Decrease in Trading Stock	(2,882.05)	(447.27)
(Increase)/ Decrease in investments	(29,743.57)	(158.26)
(Increase)/Decrease in margin money deposit, fixed deposit and other bank balances (Refer note 19)	(636.38)	7,411.71
(Increase)/Decrease in other liabilities	9565.18	(3,233.13)
Increase/ (Decrease) in trade payables	9376.65	(1,378.00)
	(20,375.21)	45,043.09
Interest income	1,505.36	386.95
Dividend income	(10.33)	11.13
Direct taxes paid (net of refunds)	(996.32)	(549.75)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(19,876.50)	44,891.42
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(186.02)	(130.84)
Sale of fixed assets	7.31	43.84
Capital work in progress	24.53	(21.22)
(Increase)/ Decrease in non current investments	(2,766.73)	(5393.65)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(2,920.91)	(5,501.87)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share application money	-	1.97
Securities premium received	18,140.25	-
Proceeds from issue of equity shares	2,267.78	-
Proceeds from borrowings	29,527.70	(38,939.20)
Interest expense	(1,037.02)	(1,466.40)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	48,898.71	(40,403.63)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	26,101.29	(1,014.08)
Cash and cash equivalents at the beginning of the year	1,069.46	2,083.54
Cash and cash equivalents at the end of the year (Refer no 19)	27,170.75	1,069.46
Previous year's figures have been regrouped / reclassified wherever necessary.		
Significant accounting policies	1 to 2	
Notes forming parts of the Financial Statements	3 to 45	

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary

Notes forming part of consolidated financial statements for the year ended March 31, 2017

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 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF CONSOLIDATION

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

a) Basis of preparation

- i) 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") specified under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).
- ii) 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

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

- i) 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.
- ii) The share of profit / loss of associate companies is accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.

II) 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, 2017	As at March 31, 2016
Intime Equities Limited	Subsidiary	100%	100%
Intime Multi Commodity Company Limited	Subsidiary	100%	100%
Fortune Credit Capital Limited	Subsidiary	100%	100%
ITI Asset Management Limited	Subsidiary	*100%	100%
Fortune Integrated Home Finance Limited	Subsidiary	100%	100%
Antique Stock Broking Limited (ASBL)	Subsidiary	100%	100%
Inga Capital Private Limited (INGA)	Subsidiary	100%	100%
Distress Asset Specialist Private Limited	Subsidiary	100%	100%
ITI Mutual Fund Trustee Private Limited	Subsidiary	100%	-
Antique Stock Broking (IFSC) Private Limited	Subsidiary of ASBL	100%	-
Neue Allianz Corporate Services Private Limited	Subsidiary of INGA	66.67%	66.67%

Notes forming part of consolidated financial statements for the year ended March 31, 2017

The Investment Trust of India Limited	Subsidiary	75.17%	75.17%
ITI Reinsurance Limited	Subsidiary	80.00%	80.00%
ITI Gilts Private Limited	Subsidiary	51.00%	-

*** Include 40% held through wholly owned subsidiary "FCCL".**

III) The details of associates 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, 2017	As at March 31, 2016
Fortune Integrated Assets Finance Limited (FIAFL)	Associate	25.00%	25.00%
United Petro Finance Limited	Associate	40.60%	25.00%
Wind Construction Private Limited	Subsidiary of FIAFL	#25.00%	-

Indirect holding through associate "FIAFL"

IV) Disclosure required by schedule III of Companies Act, 2013 by way of additional information .

Name of the Company	2016-2017				2015-2016			
	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
Parent								
Fortune Financial Services (India) Limited	91.25	42,007.20	3.46	71.76	93.97	21,525.44	3.53	10.89
Subsidiaries								
Intime Equities Limited	8.15	3,753.92	4.68	97.10	15.96	3,656.83	15.90	49.04
Intime Multi Commodity Company Limited	1.26	578.20	0.05	1.12	2.52	577.08	(0.54)	(1.68)
Fortune Credit Capital Limited	28.98	13,341.71	0.59	12.18	40.73	9,329.53	1.03	3.17
ITI Investment Advisors Limited	1.04	477.77	0.19	3.85	0.33	75.40	(0.26)	(0.81)
Fortune Integrated Home Finance Limited	1.23	564.59	0.82	17.07	0.10	22.51	(0.34)	(1.05)
Antique Stock Broking Limited*	9.79	4,508.00	54.15	1,123.79	14.77	3,384.18	52.52	162.01
Inga Capital Private Limited*	3.14	1,444.20	6.73	139.58	5.70	1,304.60	7.84	24.17
Distress Asset Specialist Private Limited	(0.01)	(5.69)	(1.08)	(22.49)	0.07	16.80	0.22	0.68
The Investment Trust of India Limited	11.12	5,118.09	2.06	42.68	2.06	472.43	5.56	17.15
Fortune Integrated Assets Finance Limited	-	-	-	-	-	-	29.90	92.23
ITI Gilts Private Limited	2.19	1,009.10	1.52	31.53	-	-	-	-
ITI Reinsurance Limited	89.52	41,211.00	26.86	557.50	0.04	10.00	-	-
ITI Mutual Fund Trustee Private Limited	0.00	0.64	(0.02)	(0.36)	-	-	-	-
Inter company elimination and consolidation adjustments	(147.64)	(67,971.06)	-	-	(76.26)	(17,468.31)	(15.35)	(47.35)
Total	100.00	46,037.67	100.00	2,075.31	100.00	22,906.49	100.00	308.45
Minority interest in subsidiaries	-	9,002.30	-	127.90	-	236.81	-	27.25
Associates (Investment as per Equity Method)								
Fortune Integrated Assets Finance Limited*	-	5,980.96	-	760.36	-	3,383.62	-	285.18
United Petro Finance Limited	-	939.31	-	23.76	-	50.00	-	-

*Figures for Antique Stock Broking Limited, Inga Capital Private Limited and Fortune Integrated Assets Finance Limited are after consolidating with their subsidiaries Antique Stock Broking (IFSC) Private Limited, Neue Allianz Corporate Services Private Limited and Wind Construction Private Limited respectively.

2.2 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.

2.3 REVENUE RECOGNITION

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

- a. Investment banking income is accounted on the basis of the terms of agreement with the clients.
- b. Professional fees and other advisory services are accounted when there is reasonable certainty of its ultimate realisation / collection.
- c. Income from broking activities is recognised on the trade dates.
- d. Income from distribution is accounted when there is reasonable certainty of its ultimate realisation.
- e. 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."
- f. Income from depository operations is recognised on accrual basis.
- g. Dividend Income is recognised when the right to receive dividend is established.
- h. 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

c) Compensated absences

Compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at the date of the balance sheet, actuarial gains / losses, if any, are immediately recognized in the statement of profit and loss.

2.5 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 its cost can be reliably measured.

2.6 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 its cost can be reliably measured.

2.7 Depreciation and amortisation

The Company provides for depreciation and amortisation as under:

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

2.8 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.

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 as 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 non current 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 Inventories

Securities acquired with the intention to trade are classified as stock- in- trade. Stock in trade in shares and securities are valued on first in first out basis at lower of cost or market value on individual scrip-by-scrip basis.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits with bank. The Company considers all highly liquid investments/ bank deposits with a remaining maturity on the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3 SHARE CAPITAL	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Authorised				
Equity shares of ₹ 10 each	60,000,000	6,000.00	60,000,000	6,000.00
TOTAL		6,000.00		6,000.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	51,023,767	5,102.38	28,345,990	2,834.60
TOTAL		5,102.38		2,834.60

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
At the beginning of the year	28,345,990	2,834.60	28,345,990	2,834.60
Issued during the year	22,677,777	2,267.78	-	-
At the end of the year	51,023,767	5,102.38	28,345,990	2,834.60

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

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% of Holding	Number of shares	% of Holding
Neostar Developers LLP	23,742,082	46.53	1,14,51,803	40.40
Aditya InfoTech Private Limited	12,154,262	23.82	61,70,712	21.77
Nogard Investments Limited	1,799,000	3.53	1,800,000	6.35

c Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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.

4 RESERVES AND SURPLUS	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Opening balance	275.97	268.00
Additions during the year	-	7.97
Closing Balance	275.97	275.97
Capital Reserve on amalgamation		
Opening balance	1,367.52	-
Add: Pursuant to the Scheme of Amalgamation	-	1,367.52
Closing Balance	1,367.52	1,367.52
Capital Reserve on consolidation		
Opening balance	-	15.73
Deduction during the year	-	(15.73)
Closing Balance	-	-

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
4	RESERVES AND SURPLUS (Continued...)	As at March 31, 2017	As at March 31, 2016
	Securities Premium Account		
	Opening balance	15,782.88	15,782.88
	Add : Addition during the year	18,142.22	-
	Closing Balance	33,925.10	15,782.88
	Statutory Reserve (u/s 45-1C of The RBI Act, 1934)		
	Opening balance	223.09	257.60
	Add: Transferred during the year	2.44	0.63
	Discontinuation of subsidiary	-	(35.14)
	Closing Balance	225.53	223.09
	General Reserve		
	Opening balance	724.71	732.41
	Less: Pursuant to the Scheme of Amalgamation	-	7.70
	Closing Balance	724.71	724.71
	Surplus in Statement of Profit and Loss		
	Opening balance	1,697.72	2,086.52
	Net profit for the year	2,731.52	566.38
	Pursuant to the Scheme of Amalgamation	-	(1,022.19)
	Discontinuation of subsidiary	-	(67.91)
	Adjustment on account of investments in associates	(8.52)	135.98
	Amount available for appropriation	4,420.72	1,698.78
	Less: Appropriations		
	Preference dividend	1.50	0.36
	Tax on preference dividend	0.31	0.07
	Transfer to statutory reserve	2.44	0.63
	Total appropriations	4.25	1.06
	Net surplus in Statement of Profit and Loss	4,416.47	1,697.72
	TOTAL	40,935.29	20,071.89
		(₹ in lakhs)	
5	LONG TERM BORROWINGS	As at March 31, 2017	As at March 31, 2016
	Secured		
	Vehicle loan	3.33	4.36
	(Secured by hypothecation of vehicle)		
	Others	-	6.15
	(Secured by creating charge on movable Fixed Assets of the company)		
	Unsecured		
	Subordinated Non convertible redeemable Debentures	10,000.00	-
	(14% p.a. interest bearing 10,000 debentures face value of ₹ 1,00,000 each redeemable on March 31, 2027)		
	TOTAL	10,003.33	10.51
		(₹ in lakhs)	
6	LONG TERM PROVISIONS	As at March 31, 2017	As at March 31, 2016
	Provision for employee benefits		
	Unavailed leave	91.79	-
	Gratuity	112.45	40.12
	TOTAL	204.24	40.12

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
7 SHORT TERM BORROWINGS			
Secured			
From Banks			
Overdraft (Secured by pledge of shares, Government Securities, fixed deposit and corporate guarantee of the Company)		2,949.40	3,487.62
Term Loan (Secured against pledge of shares and corporate guarantee of the Company)		2,495.00	2,495.00
Unsecured			
Repayable on demand			
Related parties		405.00	1,077.90
Others		20,746.00	-
TOTAL		26,595.40	7,060.52
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
8 TRADE PAYABLES			
Total Outstanding Dues of micro enterprise and small enterprises (Refer note no. 42)		-	-
Total Outstanding Dues of Creditors other than micro enterprise and small enterprises		16,626.61	7,249.98
TOTAL		16,626.61	7,249.98
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
9 OTHER CURRENT LIABILITIES			
Creditors for expenses		217.44	-
Interest accrued and not due on borrowings		0.15	0.86
Interest accrued and due to			
Related parties		3.25	-
Others		280.62	-
Unclaimed dividends		12.16	15.08
Mark to Market Margin (Equity Index/Stock/Option/Currency futures)		-	2.67
Statutory liabilities		617.61	444.31
Other payables		734.11	851.94
Dividend on Preference Shares		1.50	-
Dividend distribution tax		0.31	-
Current Maturity of long term debts		6.15	42.34
TOTAL		1,873.30	1,357.20
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
10 SHORT-TERM PROVISIONS			
Provision for employee benefits			
Unavailed leave		12.30	76.80
Gratuity		52.28	83.83
Provision for proposed dividend		-	0.36
Tax on proposed preference dividend		-	0.07
Provision for standard assets		-	32.46
Provision for non performing assets		-	7.40
Provision for expenses		655.46	331.58
Provision for loans to employees		3.23	3.23
TOTAL		723.27	535.73



Notes forming part of consolidated financial statements for the year ended March 31, 2017

11. FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 01.04.2016	Additions	Additions / Adjustments during the year	As at 31.03.2017	As at 01.04.2016	Additions / Adjustments during the year	As at 31.03.2017	As On 31.03.2016
Tangible Assets								
Electrical Installations	59.59		46.25	13.34	52.81	3.28	12.67	6.78
Computers	1,031.53	115.03	47.09	1,099.47	912.19	88.68	955.23	119.34
Office Equipments	441.80	14.46	75.22	381.04	368.93	30.35	327.24	72.87
Furniture and Fixtures	240.55	8.49	151.20	97.84	213.00	8.75	78.86	27.55
Leasehold Improvements	1,138.31	44.21	4.62	1,177.90	507.25	196.05	698.68	631.06
Vehicles	132.24	3.30	6.69	128.85	98.44	9.33	101.57	33.80
Building	11.32	-	-	11.32	2.49	0.43	2.92	8.83
TOTAL	3,055.34	185.49	331.07	2,909.76	2,155.11	336.87	2,177.17	900.23
Previous year	3,013.81	124.43	82.90	3,055.34	1,825.89	368.70	2,155.11	1,187.92
Intangible Assets								
Computer Software	593.17	0.53	84.28	509.42	562.71	11.13	489.59	30.46
Goodwill	2,356.89	-	-	2,356.89	1,137.33	470.62	1,607.95	1,219.56
TOTAL	2,950.06	0.53	84.28	2,866.31	1,700.04	481.75	2,097.54	1,250.02
Previous year	2,939.67	10.39	-	2,950.06	1,219.69	480.35	1,700.04	1,719.98
TOTAL	6,005.40	186.02	415.35	5,776.07	3,855.15	818.62	4,274.71	2,437.94
Previous year	5,953.48	134.82	82.90	6,005.40	3,045.58	849.05	3,855.15	2,907.90
Capital Work-In-Progress	24.88	0.35	24.88	0.35	-	-	-	24.88
Previous year	3.66	24.88	3.66	24.88	-	-	-	3.66

Notes forming part of consolidated financial statements for the year ended March 31, 2017

12 NON CURRENT INVESTMENTS	Face value ₹	Number of instruments		Amount (₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a) Investment in equity shares (Fully paid)					
Investment in associates (Unquoted) (Trade)					
Fortune Integrated Assets Finance Limited	10	4,829,545	3,125,000	5,980.96	3,333.62
United Petro Finance Limited	10	8,120,000	500,000	939.31	50.00
Others					
BSE Limited (Non trade) (Unquoted)	1	-	125,200	-	281.05
Aryan Foods & Confection Private Limited (Non trade) (Unquoted)	10	900,000	-	90.00	-
Cords Cable Industries Limited (Non trade) (Quoted)	10	100,000	100,000	35.18	35.18
Sub total				7,045.45	3,699.85
b) Investment in convertible debentures (unquoted) (Fully paid)					
Fortune Integrated Assets Finance Limited (Trade)	100,000	2,620	2,620	2,620.00	2,620.00
c) Investment in optionally convertible debentures (unquoted) (Fully paid)					
Shastha Advisors Private Limited (Non Trade)	10	3,000,000	3,000,000	300.00	300.00
Sub total				2,920.00	2,920.00
TOTAL				9,965.45	6,619.85

Aggregate amount of unquoted investments ₹ 9,930.27 lakhs (Previous year ₹ 6,584.67 lakhs)

Aggregate amount of quoted investments ₹ 35.18 lakhs (Previous year ₹ 35.18 lakhs)

13 DEFERRED TAX ASSETS (NET)	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Deferred tax assets on		
Provision for employee benefits	84.11	60.11
Provision for non performing assets	-	2.29
Provision for doubtful debts	-	0.88
Provision for diminution in value of current investments	50.87	29.76
Provision for doubtful advances	3.92	1.00
Fixed assets	243.87	180.92
Business loss and unabsorbed depreciation	91.25	145.61
TOTAL	474.02	420.57

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)
	As at March 31, 2017	As at March 31, 2016
14 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated)		
Security Deposits		
With exchanges	619.38	533.01
Others	217.09	297.02
Other loans	-	100.00
Prepaid expenses	-	34.75
Hire Purchase Stock	-	61.85
Advance income tax and tax deducted at source (Net)	1,462.77	1,688.54
Gratuity Asset	8.97	-
TOTAL	2,308.21	2,715.17
		(₹ in lakhs)
	As at March 31, 2017	As at March 31, 2016
15 OTHER NON CURRENT ASSETS		
Unsecured, considered good		
Unamortised share Issue expenses	255.25	-
Other receivables	-	14.86
Fixed deposit with banks with maturity for 12 months & above	58.00	218.00
TOTAL	313.25	232.86
		(₹ in lakhs)
	As at March 31, 2017	As at March 31, 2016
16 CURRENT INVESTMENTS		
a) Investment in equity shares	567.18	567.18
b) Investment in Government Securities	22,277.93	-
c) Investment in Non - convertible Debentures	7,489.76	-
	30,334.87	567.18
Less : Provision for diminution in the value of equity shares	329.21	192.59
TOTAL	30,005.66	374.59
Aggregate amount of quoted investments ₹ 30,334.87 lakhs (Previous year ₹ 567.18 lakhs) Market value of ₹ 30,005.66 lakhs (Previous year ₹ 374.59 lakhs)		

Notes forming part of consolidated financial statements for the year ended March 31, 2017

Particulars	Face value ₹	Number of instruments		Amount (₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a) Investments in Equity Instru- ments (Fully paid up) (Non trade)					
GOL Offshore Limited	10	517,500	517,500	408.91	408.91
Rashel Agrotech Limited	10	418,474	418,474	3.14	3.14
Jyoti Limited	10	327,974	327,974	155.13	155.13
TOTAL				567.18	567.18
b) Investment in Government Securities					
Treasury Bills 91D 22 JUNE 2017	100	2,500,000	-	2,464.66	-
Treasury Bills 91D 25MAY2017	100	10,000,000	-	9,901.32	-
Treasury Bills 182D 18 MAY 2017	100	10,000,000	-	9,911.95	-
TOTAL				22,277.93	-
c) Investment in Non-convertible Debentures					
7.42% PFC (2020)	10,00,000	250	-	2,500.00	-
7.78% HDFC Ltd (2020)	1,00,00,000	25	-	2,500.00	-
7.95% LIC Housing (2022)	10,00,000	150	-	1,500.00	-
7.52% NCD RECL (2026)	10,00,000	100	-	989.76	-
TOTAL				7,489.76	-
				(₹ in lakhs)	
17 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)				As at March 31, 2017	As at March 31, 2016
Stock-in-trade					
Quoted securities (Refer Note 34)				3,329.32	447.27
(Aggregate of stock-in-trade (Quoted) ₹ 3,329.32 lakhs (Previous year ₹ 447.27 lakhs))					
TOTAL				3,329.32	447.27
				(₹ in lakhs)	
18 TRADE RECEIVABLES				As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months					
Secured, considered good				22.99	94.26
Unsecured, considered good				235.73	63.85
Unsecured, doubtful				12.28	2.83
Less: Provision for doubtful debts				(12.28)	(12.10)
				258.72	148.84
Others					
Secured, considered good				1,152.47	3,138.18
Unsecured, considered good					
Others				12,548.79	1,878.54
				13,701.26	5,016.72
TOTAL				13,959.98	5,165.56

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)
	As at March 31, 2017	As at March 31, 2016
19 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	14.16	10.08
Foreign Currency-in-Hand	0.47	-
In current accounts	27,156.12	1,059.38
	27,170.75	1,069.46
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months (out of the above ₹ 7,044.63 lakhs (Previous Year ₹ 7,402.33 lakhs) is held as margin money or security against borrowings and guarantees)	8,116.39	7,475.12
Unclaimed dividend account	12.16	15.08
Share application money account	-	1.97
	8,128.55	7,492.17
TOTAL	35,299.30	8,561.63
		(₹ in lakhs)
	As at March 31, 2017	As at March 31, 2016
20 SHORT-TERM LOANS AND ADVANCES		
Loan portfolio		
Secured	2,040.00	3,807.15
Less: Written off during the year	7.14	-
	2,032.86	3,807.15
Unsecured, considered good		
Related party	4,359.46	2,800.14
Others	1,806.55	3,288.03
Less: Written off during the year	36.23	-
	6,129.78	6,088.17
Unsecured, Sub-Standard & Doubtful	813.18	-
Less: Written off during the year	100.15	-
	713.03	-
Sub-total	8,875.67	9,895.32
Unsecured, considered good (unless otherwise stated)		
Deposits		
Deposit with exchanges	325.00	19.89
Security deposits	202.40	102.95
Loans given to others	343.87	657.02
Advance for investments (Refer note no. 32)	998.85	566.68
Loans to employees	39.64	56.62
Prepaid expenses	124.80	104.70
Assignment receivables	1,636.07	-
Hire Purchase Stock	43.77	-
Balance with authorities	26.02	-
Advances to suppliers	29.70	-
Others recoverable in cash or kind or for value to be received (Refer note no. 32)	264.96	411.68
Gratuity Asset	4.63	5.26
Advances to related parties	-	22.13
TOTAL	12,915.38	11,842.24

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
21 OTHER CURRENT ASSETS			
Unsecured, considered good			
Interest accrued and due on loan given to			
Related party		121.05	136.16
Others		244.89	347.36
Interest accrued on fixed deposits		153.77	102.02
Interest receivable on Hire Purchase		5.43	-
Unamortised share issue expenses		141.48	-
Other receivables		32.84	31.55
TOTAL		699.46	617.08
			(₹ in lakhs)
		As at March 31, 2017	As at March 31, 2016
22 REVENUE FROM OPERATIONS			
Brokerage and related operational income		9,248.57	7,697.87
Interest on loans		2,388.62	1,683.71
Interest on fixed deposits		489.39	728.20
Investment banking and advisory services		1,358.57	1,453.02
Sale of Products (Traded goods)		753.50	-
Income from assignment receivables		224.57	-
Distribution and professional Income		388.96	1,813.75
Interest on debt securities		74.52	-
Gain/(Loss) in dealing in shares / securities		158.10	-
Other Interest income		1,505.36	386.95
Other operational income		35.02	-
Provision for bad debts written back		-	161.55
Dealing error gain / (loss)		(64.74)	(699.45)
TOTAL		16,560.44	13,225.60
			(₹ in lakhs)
		As at March 31, 2017	As at March 31, 2016
23 OTHER INCOME			
Compensation received		-	550.00
Provision for non performing assets written back		-	71.71
Net gain on sale of investments		54.03	24.41
Dividend Income		10.33	11.13
Rent Income		4.26	-
Profit on sale of fixed assets		-	0.42
Others		209.35	269.84
TOTAL		277.97	927.51
			(₹ in lakhs)
		As at March 31, 2017	As at March 31, 2016
24 EMPLOYEE BENEFITS EXPENSE			
Salaries, bonus and allowances		5,140.44	4,788.85
Contributions to gratuity, provident and other funds		195.89	224.50
Staff welfare expenses		92.69	82.35
TOTAL		5,429.02	5,095.70

Notes forming part of consolidated financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
25 FINANCE COST		As at	As at
		March 31, 2017	March 31, 2016
Interest expenses		1,037.02	1,466.40
Bank charges		55.14	47.26
TOTAL		1,092.16	1,513.66

		(₹ in lakhs)	
26 OTHER EXPENSES		As at	As at
		March 31, 2017	March 31, 2016
Brokerage / sub-brokerage		707.08	703.17
Service charges		0.01	111.97
Stamp Duty and stamp charges		72.16	70.20
Depository charges		19.65	-
Other operating expenses		64.51	58.29
Loss on sale of investments		29.91	-
Exchange and Regulator expenses		79.13	-
Provision for diminution in value of current investments		136.62	80.21
Turnover Charges/ Transaction Charges		531.00	478.03
Rent (Refer note 30)		458.86	405.28
Travelling and conveyance expenses		263.09	282.61
Rates and taxes		99.24	140.65
Printing and stationery		37.06	36.29
Conference expenses		2.46	-
Motor vehicle expenses		104.50	71.43
Electricity charges		181.85	208.19
Communication expenses		125.39	177.88
Advertisement expenses		6.93	6.98
Legal and professional fees		579.14	230.32
Auditors' remuneration			
-Statutory audit		15.77	14.50
-Tax audit		5.12	3.65
-Other Services		11.28	8.26
Repairs and maintenance			
- Building		16.28	32.80
- Machinery & Equipments		13.59	-
- Others		125.19	134.41
Membership and subscriptions		23.68	10.14
Business promotion expenses		343.29	286.00
Insurance expenses		17.61	14.85
Donation		6.41	2.69
Directors' sitting fees		11.85	10.40
Bad debts/sundry balances written off (Net)		929.00	1,864.59
Loss on sale of assets		8.99	-
General provision against standard assets		-	53.12
Database information charges		0.45	-
Provision for doubtful debts		9.45	-
Provision for non performing assets		-	90.68
Computer software expenses		436.12	374.78
Miscellaneous expenses		32.85	36.92
Exchange rate difference		-	16.44
Amortisation of share issue expenses		29.55	-
Corporate social responsibility expenditure		13.00	-
Assignment receivables written off		199.02	-
Postage & Courier Charges		28.03	-
TOTAL		5,775.12	6,015.73

Notes forming part of consolidated financial statements for the year ended March 31, 2017

27 SEGMENT REPORTING

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:

(₹ in lakhs)

Particulars	Capital market activities		Trading Activities		Investment banking and advisory services		Financing activities		Reinsurance		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Segment revenue												
External revenue	11,154.78	10,088.89	753.50	-	2,681.29	1,710.76	2,663.91	2,839.42	*1,104.24	-	18,357.72	14,639.07
Inter segment revenue	467.98	169.70	-	-	432.07	123.72	619.26	213.94	-	-	1,519.31	507.36
Total revenue	10,686.80	9,919.19	753.50	-	2,249.22	1,587.04	2,044.65	2,625.48	1,104.24	-	16,838.41	14,131.71
Segment Result												
Profit before tax	1,851.00	527.28	16.84	-	(54.26)	(20.09)	332.25	175.77	841.00	-	2,986.83	682.96
Provision for tax												
Current tax	695.30	138.60	-	-	157.00	18.68	120.26	80.70	270.00	-	1,242.56	237.98
Deferred tax	16.32	184.58	-	-	5.14	(6.21)	(74.42)	(22.87)	(0.51)	-	(53.47)	155.50
Current tax relating to prior years	7.90	0.22	-	-	(7.95)	2.07	(20.43)	0.14	-	-	(20.48)	2.43
Total Result	1,131.48	203.88	16.84	-	(208.45)	(34.63)	306.84	117.80	571.51	-	1,818.22	287.05
Segment assets	29,779.07	18,658.92	-	-	9,920.69	6,722.37	19,998.90	14,014.81	51,367.46	-	111,066.12	39,396.10
Segment liabilities	23,344.84	14,571.21	-	-	1,141.44	524.51	1,896.19	1,155.11	29,643.68	-	56,026.15	16,250.83
Net Segment Assets	6,434.23	4,087.71	-	-	8,779.25	6,197.86	18,102.71	12,859.70	21,723.78	-	55,039.97	23,145.27
Other Information												
a) Capital expenditure	186.02	104.99	-	-	-	28.00	-	-	-	-	186.02	134.82
b) Depreciation and amortisation	250.00	271.80	-	-	17.18	15.31	550.82	557.95	0.62	-	818.62	845.06

* Represent interest and investment income. The Reinsurance business is yet to be commenced

Notes forming part of consolidated financial statements for the year ended March 31, 2017

28 Related party transactions

a) Names of related parties and nature of relationship

i) Enterprises having significant influence :

	Relationship
Fortune Integrated Assets Finance Limited	Associate
United Petro Finance Limited	Associate
Wind Construction Private Limited (w.e.f. 25.06.2016)	Subsidiary of associate

ii) Key Managerial Personnel

Mr. S. G. Muthu Kummar	Chief Financial Officer
Mr. Aalok Dave (upto 05.10.2016)	Manager
Mr. Prateek Tayal (w.e.f. 06.10.2016)	Manager

b) Details of transactions with related parties:

		(₹ in lakhs)	
Nature of Transactions		Year ended March 31, 2017	Year ended March 31, 2016
1. Remuneration			
Mr. Yashpal Madan	-	5.10	
Mr. Aalok Dave	51.82	41.94	
Mr. Prateek Tayal	7.78	-	
2. Interest charged			
Fortune Integrated Assets Finance Limited	-	19.37	
United Petro Finance Limited	396.87	-	
3. Reimbursement			
Fortune Integrated Assets Finance Limited	60.76	35.18	
4. Investment in equity shares of associates			
Fortune Integrated Assets Finance Limited	1,875.00	-	
United Petro Finance Limited	949.20	-	
5. Consideration paid for assignment			
Fortune Integrated Assets Finance Limited	1,200.00	-	
6. Assignment collection received			
Fortune Integrated Assets Finance Limited	374.45	-	
7. Loan given to			
United Petro Finance Limited	11,110.37	-	
8. Loan received back			
United Petro Finance Limited	11,110.37	-	

		(₹ in lakhs)	
c. Amount due to/from related parties		As at March 31, 2017	As at March 31, 2016
1. Interest Receivable			
Fortune Integrated Assets Finance Limited	-	17.44	
2. Assignment collection receivables			
Fortune Integrated Assets Finance Limited	84.84	-	
3. Guarantees given			
Fortune Integrated Assets Finance Limited	-	7,500.00	

Related parties are identified by management and relied upon by auditors.

Notes forming part of consolidated financial statements for the year ended March 31, 2017

29 Disclosure as per accounting standard 15 "Employee Benefits"

a) Defined Benefit Plan for Gratuity as per Actuarial Valuation as at March 31, 2017

Particulars	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Change in present value of defined benefit obligation		
Liability at the beginning of the year	332.37	255.40
Interest cost	25.59	28.89
Current service cost	58.57	50.26
Benefit paid	(40.85)	(15.77)
Actuarial (gain)/loss on obligations	3.90	13.59
Liability at the end of the year	379.58	332.37
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year		176.06
Expected return on plan assets	219.52	176.06
Contributions	18.55	13.64
Fund Transfer in	32.57	69.24
Benefit paid	-	-
Actuarial gain/(loss) on plan assets	(40.16)	(48.45)
Fair value of plan assets at the end of the year	(2.03)	8.65
	228.45	219.13
Amount recognised in the Balance Sheet		
Liability at the end of the year	379.58	332.34
Fair value of plan assets at the end of the year	228.45	219.13
Difference	151.13	113.21
Amount recognised in the balance sheet	151.13	113.21
Expenses recognised in the Statement of Profit and Loss		
Current service cost	57.33	58.82
Interest cost	26.63	8.24
Expected return on plan assets	(17.78)	(1.56)
Actuarial gain / (loss)	2.47	37.62
Expense recognised in the Statement of Profit and Loss	68.66	103.13
Actuarial assumptions		
Discount rate (per annum)	7.20%	7.86%
Rate of return on plan assets (per annum)	7.20%	7.86%
Attrition rate (per annum)	2.00%	2.00%
Salary escalation (per annum)	5.00%	5.00%

The estimates of salary escalation considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factor such as demand and supply of employees.

b) Defined contribution plans

The amount recognised as expense included in "Contribution to gratuity, provident and other funds" in Note 21 is ₹ 106.19 lakhs (Previous year ₹ 108.69 lakhs)

c) Compensated absences

Compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at the date of the balance sheet, actuarial gains / losses, if any, are immediately recognized in the statement of profit and loss.

d) General description of significant defined benefit plan

Gratuity Plan : Gratuity is payable to all eligible employees of the Company in terms of the provision of the Payment of Gratuity Act, 1972

- 30** The Company and its subsidiaries have taken office premises under operating lease. These agreements provide an option to the Company and its subsidiaries to renew the lease period on mutually agreeable terms. The Company and its subsidiaries 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 "26" is ₹ 458.86 lakhs (previous year ₹ 405.28 lakhs). Details of the minimum lease payments for the operating leases are provided hereunder:

Notes forming part of consolidated financial statements for the year ended March 31, 2017
(₹ in lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Not later than one year	451.71	274.8
Later than one year but not later than five years	800.70	612.47
Later than five years	51.75	-

31 EARNINGS PER SHARE

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

Particulars	As at March 31, 2017	As at March 31, 2016
A. Basic		
Net profit after tax (₹ in lakhs)	2,731.52	566.38
Weighted average number of outstanding equity shares	49,733,185	35,432,488
Basic earning per equity share (in ₹)	5.49	1.60
Face Value per equity share (in ₹)	10	10
B. Diluted		
Net profit after tax (₹ in lakhs)	2,731.52	566.38
Weighted average number of outstanding equity shares	49,733,185	35,432,488
Basic earning per equity share (in ₹)	5.49	1.60
Face Value per equity share (in ₹)	10	10

32 Contingent liabilities and commitments (to the extent not provided for)

- a) Contingent liabilities
 - i) Corporate guarantee issued in favour of a banks to secure credit facilities sanctioned by the banks to subsidiary companies ₹ 21,300 lakhs (Previous year ₹ 22,500 lakhs)
 - ii) 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 ₹ 5,232.50 lakhs (Previous year ₹ 5,592.50 lakhs)
 - iii) Claims against the company not acknowledged as debts
 - Related to income tax ₹ 49.09 lakhs (Previous year ₹ 38.82 lakhs)
 - Related to stamp duty ₹ 20.14 lakhs (Previous year ₹ 20.14 lakhs)
 - Related to tax deducted at source ₹ 38.56 lakhs (Previous year ₹ 38.56 lakhs)
 - Related to Service tax ₹ 3.94 lakhs (Previous year ₹ 3.94 lakhs)
 - Others ₹ 112.71 lakhs (Previous year ₹ 104.76 lakhs)
- b) In respect of litigations filed by the Company for recovery amount of ₹ 510.06 lakhs , no provision has been made as the management is of the opinion that entire amount fully recoverable
- c) Estimated amount of contracts remaining to be executed on capital account Nil (Previous year ₹ 11.87 lakhs)

33 Particulars of unhedge foreign currency exposure as at the reporting date :
(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Creditors for Expenses	15.45	11.03
Trade Receivable	0.67	2.35
Total	16.12	13.38

Notes forming part of consolidated financial statements for the year ended March 31, 2017

34 Details of stock-in-trade

Security	Face value ₹	Number of instruments		Amount (₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
8.19% Rajasthan SPL SDL 2026	100	55,000	-	57.48	-
7.75% Tamil Nadu SDL Uday 2023	100	3,000	-	3.00	-
7.75% Tamil Nadu SDL Uday 2025	100	8,000	-	8.01	-
8.39% Rajasthan SPL SDL 2026	100	10,000	-	10.42	-
8.39% Rajasthan SPL SDL 2026	100	7,000	-	7.33	-
8.04% Telangana Uday SDL 2031	100	201,000	-	207.44	-
8.21% Uttar Pradesh SDL UDAY 2026	100	204,000	-	210.71	-
7.68% Tamil Nadu Uday SDL 2026	100	880,000	-	880.35	-
7.90% Tamilnadu Uday SDL 2027	100	905,000	-	919.01	-
8.21% Rajasthan SPL SDL 2024	100	1,000,000	-	1,025.02	-
Astral Poly Technik Limited	1	100	-	0.55	-
HDFC Bank Limited	2	-	9,001	-	96.41
CIPLA Limited	2	-	52,000	-	266.21
Century Textiles Limited	10	-	16,010	-	84.64
Total				3,329.32	447.27

35 Income & Expenditure in Foreign Currency	(₹ in lakhs)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
a) Income in Foreign Currency:		
Sale of services	57.12	33.33
Other operational Income	14.29	24.83
b) Expenditure in Foreign Currency		
Computer and Computer Software Charges	62.14	63.13
Business Promotion Expenses	17.04	15.33
Travelling and Conveyance Expenses	23.60	75.69

36 Exceptional Item represents profit on sale of Investment and sale of rights in property

37 During the year, the Company has allotted 22,677,777 (Two crores twenty six Lakhs seventy seven thousand seven hundred seventy seven) equity shares of ₹ 10 each at a price of ₹ 90/- (including premium of ₹ 80/- each) per equity share aggregating to ₹ 20,410.00 lakhs through right issue to its existing equity shareholders. Proceeds from the Right Issue have been fully utilised for the purpose for which it is raised.

38 The scheme of amalgamation ("Proposed Scheme") for amalgamation of The Investment Trust of India Ltd (Formerly known as ITI Wealth Management Private Limited) with the Company with effect from January 01, 2016 (appointed date) is approved by the Hon'ble Bombay High Court. However, approval to the Proposed Scheme from Hon'ble Chennai High Court/National Company Law Tribunal (NCLT) and other applicable regulatory authorities are yet to be received. Pending approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.

39 The Scheme of Arrangement ("Proposed Scheme") between United Petro Finance Limited ('UPFL' or the 'Demerged Company') and Fortune Credit Capital Limited ('FCCL' or the 'Resulting Company') Company and their respective shareholders providing for the demerger of Lending Business ('NBFC Business') of UPFL to FCCL (Wholly Owned Subsidiary of Company), and issue of equity shares of the Company to the shareholders of UPFL with effect from March 31, 2017 (appointed date) was approved by the Board of Directors of the respective Companies on March 31, 2017. However, the approval to the Proposed Scheme from National Company Law Tribunal (NCLT), Reserve Bank of India (RBI) and other applicable regulatory authorities are yet to be received. Pending the approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.

40 The Scheme of Amalgamation ("Proposed Scheme") for amalgamation of Fortune Integrated Assets Finance Limited ('FIAFL' or the 'Transferor Company') with Company and their respective shareholders with the Company with effect from March 31, 2017 (appointed date) was approved by the Board of Directors of the respective Companies on April 25, 2017. However, the approval to the Proposed Scheme from National Company Law Tribunal (NCLT), Reserve Bank of India (RBI) and other applicable regulatory authorities are yet to be received. Pending the approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.

Notes forming part of consolidated financial statements for the year ended March 31, 2017
41 Disclosure for details of Specified Bank Notes (SBN) held and transacted during the period from 08th November to 30th December, 2016

(₹ in lakhs)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand Balance as on 8th November 2016	1.75	3.51	5.26
Transactions between 9th November 2016 and 30th December 2016			
Add: Withdrawal from Bank accounts	-	20.91	20.91
Add: Permitted Receipts	-	0.55	0.55
Less : Permitted payments	-	0.28	0.28
Less : Used for regular expenses/payments	-	7.89	7.89
Less: Amount Deposited in bank accounts	1.75	-	1.75
Closing balance as at 30th December 2016	-	16.80	16.80

42 The company has requested its creditors to confirm the applicability to them under the Micro Small and Medium Enterprises Development Act, 2006. Based on the responses received by the Company, the details of dues to micro enterprises and small enterprises are as under:

(₹ in lakhs)

Particulars	2016-17	2015-16
i. The principal amount and the interest due thereon (to be shown separately remaining unpaid to any supplier as at the end of accounting year.	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium enterprises Development act, 2006.	-	-

Note: The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

- 43** 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.
- 44** Balances standing in debtors, creditors and loan and advances are subject to confirmation.
- 45** 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 BATHIYA & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associates as on 31st March, 2017.**Part "A" : Subsidiaries:**

Sr. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name of the subsidiary	Intime Equities Limited	Intime Multi Commodity Company Limited	Fortune Credit Capital Limited	ITI Asset Management Limited (earlier known as ITI Investment Advisors Limited)	Fortune Integrated Home Finance Limited	Antique Stock Broking Limited	Inga Capital Private Limited	Distress Asset Specialist Private Limited	The Investment Trust of India Limited (earlier known as ITI Wealth Management Private Limited)	ITI Reinsurance Limited (earlier known as Kohinoor India Reinsurance Co. Limited)	ITI Gilts Private Limited (earlier known as Crest Debt Capital Markets Private Limited)	ITI Mutual Fund Trustee Private Limited
Reporting period of subsidiary	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
(₹ in lakhs)												
Share capital	1,805.00	417.70	5,000.00	100.00	200.00	3,500.00	704.18	10.00	452.00	27,180.00	1,000.00	1.00
Reserves & Surplus	1,948.92	160.50	8,341.71	5,018.09	364.59	1,013.97	739.57	(15.69)	26.74	14,142.50	24.55	(0.36)
Total Assets	13,387.55	930.78	19,173.95	5,143.06	570.47	16,338.71	1,688.92	1,023.71	509.23	51,367.46	3,399.13	0.97
Total Liabilities	9,633.63	352.58	5,831.37	24.97	5.88	11,824.74	245.17	1,029.40	30.49	10,044.96	2,374.58	0.33
Investments	161.36	----	2,553.34	-----	----	2,410.00	333.17	-----	158.27	29,767.69	----	----
Turnover / Total income	3500.91	286.01	2,555.60	113.26	26.40	6,968.06	1,342.72	305.54	9.09	1,104.24	399.81	---
Profit before tax	181.43	7.08	12.12	59.06	25.07	1,745.56	219.30	(22.73)	4.94	826.99	44.96	(0.36)
Provision for tax	84.33	5.96	(0.06)	16.38	8.00	615.80	80.27	(0.24)	1.09	269.49	13.43	---
Profit after tax	97.10	1.12	12.18	42.68	17.07	1,129.76	139.02	(22.49)	3.85	557.50	31.53	(0.36)
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of holding	100.00	100.00	100.00	*60.00	100.00	100.00	100.00	100.00	75.17	80.00	51.00	100.00

* Include 40% held through wholly owned subsidiary "FCCL".

Step down subsidiaries :

Sr. No.	(1)	(2)
Name of the Step down subsidiaries	Neue Allianz Corporate Services Private Limited	Antique Stock Broking (IFSC) Private Limited
Reporting period of Step down subsidiaries	31/03/2017	31/03/2017
(₹ in lakhs)		
Share capital	30.00	200.00
Reserves & Surplus	(13.49)	(5.97)
Total Assets	17.25	199.88
Total Liabilities	0.75	5.86
Investments	17.00	----

**Part “B”: Associates:**

	Sr. No.	(1)	(2)
	Name of the Associates	Fortune Integrated Assets Finance Limited	United Petro Finance Limited
	Latest audited Balance Sheet date	31/03/2017	31/03/2017
	Share of Associates held by the Company on the year end		
a)	Nos.	48,29,545	81,20,000
b)	Amount of investment in associates (₹ In lakhs)	4,765.62	999.20
c)	Extent of holding	25.00%	40.60%
d)	Description as to how there is significant influence	The Company is holding more than 20% in each associate	
e)	Reason why the associate is not consolidated	Not applicable	
f)	Net worth attributable to shareholding as per Latest audited Balance Sheet date (₹ In lakhs)	5,980.96	939.31
g)	Profit / (Loss) for the year (₹ In lakhs)	3,041.42	95.03
h)	Considered in consolidation (₹ In lakhs)	760.36	38.58
i)	Not considered in consolidation (₹ In lakhs)	2,281.06	56.45

i) Names of associates which are yet to commence operations : Not applicable

ii) Names of associates which have been liquidated or sold during the year : Not applicable

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
 Director
 (DIN :05333936)

Khyati C Valia
 Director
 (DIN: 03445571)

S. G. Muthu Kumar
 Chief Financial Officer

Haroon Mansuri
 Company Secretary

Mumbai, May 17, 2017

Independent Auditors' 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, 2017, 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 ("the Rules"). 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under and the Order under section 143(11) of the Act.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of matter

We draw attention to Note 33, 34 and 35 to the standalone financial statements regarding:

- a. the Scheme of Amalgamation ("Scheme 1") between the Company and The Investment Trust of India Limited (Formerly known as ITI Wealth Management Private Limited); subsidiary, with effect from "appointed date" of January 1, 2016 which is approved by the Hon'ble High Court of Bombay. As stated in the said Note, the approvals & sanctions of the Scheme 1 from the Hon'ble High Court of Chennai/National Company Law Tribunal ("NCLT") are pending;
- b. the Scheme of Arrangement ("Scheme 2") between Company, United Petro Finance Limited, an associate, and Fortune Credit Capital Limited, a wholly owned subsidiary, with effect from March 31, 2017 (appointed date) which was approved by the board of directors of the Company on March 31, 2017. As stated in the said Note, approvals & sanctions of the Scheme 2 from the stock exchange, the National Company Law Tribunal ("NCLT"), Reserve Bank of India (RBI) and other applicable regulatory authorities are pending; and



- c. the Scheme of Amalgamation ("Scheme 3") for amalgamation of Fortune Integrated Assets Finance Limited, an associate, with Company with effect from March 31, 2017 (appointed date) which was approved by the board of directors of the Company on April 25, 2017. As stated in the said Note, approvals & sanctions of the Scheme 3 from the stock exchange, National Company Law Tribunal ("NCLT"), Reserve Bank of India (RBI) and other applicable regulatory authorities are pending.

The Company's standalone financial statements have been prepared independently without giving effect of the above mentioned Scheme 1, Scheme 2 and Scheme 3. The effect of the above mentioned Scheme 1, Scheme 2 and Scheme 3 will be given in the standalone financial statements of the Company, in the financial year in which all the sanctions or orders as specified are obtained and/or filed.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, 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 relating to preparation of the standalone financial statements 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 maintained for the purpose of preparation of these standalone financial statements;
 - 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, 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.
 - 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.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 (Refer Note: 37 to the standalone financial statements).

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2017)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Company.

- 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any immovable properties. Accordingly Paragraph 3(i) (c) of the order is not applicable.
- ii. According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed in physical verification. In our opinion, the frequency of such verification is reasonable.
- iii. The Company has granted unsecured loans to six companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b. In the case of the loans granted to the companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to the companies 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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public during the year, within the meaning of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under and therefore, provisions of paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii.
 - a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues as applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues as applicable were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise or value added tax, as applicable which have not been deposited as at March 31, 2017 with appropriate authorities on account of any dispute. Details of Income Tax which have not been deposited as at March 31, 2017 on account of dispute are given below:

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	7.46	2012-13	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	53.07	2011-12	Income Tax Appellate Tribunal

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of term loans during the year and money raised by way of right issue during the year have been applied by the Company for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanation given to us and based on examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2017)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Fortune Financial Services (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Bathiya & Associates LLP**

Chartered Accountants

Firm Registration No. 101046W / W100063

Umesh B. Lakhani

Partner

Membership No. : 044981

Place : Mumbai

Date : May 17, 2017



Balance Sheet as at March 31, 2017

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	3	5,102.38	2,834.60
b) Reserves and surplus	4	36,904.82	18,690.84
Share application money pending allotment		-	1.97
Non-current liabilities			
a) Long-term provisions	5	4.56	-
Current liabilities			
a) Short term borrowings	6	19,696.00	604.50
b) Trade payables (includes dues to micro and small enterprises: Nil (March 31, 2016 : Nil))	7	38.16	19.29
c) Other current liabilities	8	5,774.67	109.55
d) Short term provisions	9	0.64	8.68
TOTAL		67,521.23	22,269.43
ASSETS			
Non-current assets			
a) Fixed assets	10		
(i) Tangible assets		12.17	11.73
b) Non- Current investments	11	64,231.95	20,792.81
c) Deferred tax assets (Net)	12	12.34	10.98
d) Long-term loans and advances	13	204.01	233.94
e) Other Non-current assets	14	55.11	-
Current assets			
a) Trade receivables	15	254.50	214.18
b) Cash and cash equivalents	16	48.55	95.04
c) Short-term loans and advances	17	2,478.03	892.08
d) Other current assets	18	224.57	18.67
TOTAL		67,521.23	22,269.43
Significant accounting policies	1 to 2		
Notes forming part of the Financial Statements	3 to 41		

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2017	Year ended 31 March, 2016
Income			
Revenue from Operations	18	1,235.95	325.19
Other Income	19	550.64	27.33
TOTAL		1,786.59	352.52
Expenses			
Purchase of traded goods		736.66	-
Employee benefits expenses	20	278.56	149.95
Finance cost	21	394.88	22.91
Depreciation and amortisation expenses		5.63	3.67
Other expenses	22	542.92	232.21
TOTAL		1,958.65	408.74
Profit before tax and exceptional items		(172.06)	(56.22)
Exceptional items		317.98	68.75
Profit before tax		145.92	12.53
Tax expense:			
- Current tax		75.00	1.40
- Tax in respect of earlier years		0.53	-
- Deferred tax		(1.37)	0.24
Profit after tax		71.76	10.89
Earnings per equity share: (Face value of ₹10 each)			
Basic (₹)	27	0.14	0.03
Diluted (₹)	27	0.14	0.03
Significant accounting policies Notes forming part of the Financial Statements	1 to 2 3 to 41		

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

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Haroon Mansuri
Company Secretary



Cash flow statement for the year ended March 31, 2017

		(₹ in lakhs)	
PARTICULARS	Year Ended March 31, 2017	Year Ended March 31, 2016	
CASH FLOW FROM OPERATING ACTIVITIES			
A Net Profit /(Loss) before tax as per statement of Profit and Loss	145.92	10.03	
Adjustments for :			
Depreciation and amortisation	5.63	3.67	
Assignment receivables written off	113.27	-	
Provision for employee benefits (Net)	(8.04)	0.83	
Amortisation of share issue expenses	18.60	-	
Bad debts / sundry balances written off (Net)	86.54	-	
Interest income	(545.47)	(21.26)	
Interest expense	394.63	22.88	
Dividend income	2.83	(6.01)	
Operating Profit before working capital change	213.91	12.64	
Adjustments for :			
(Increase) / Decrease in trade and other receivables	(2,109.80)	(214.18)	
(Increase) / Decrease in loans and others	-	559.16	
Increase / (Decrease) in trade payables and other payables	5,688.57	60.02	
	3,792.68	417.64	
Direct tax paid (net)	(41.49)	(11.45)	
NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES	3,751.19	406.19	
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(6.08)	-	
(Increase) / Decrease in investments in subsidiaries	(43,439.14)	(969.93)	
Increase / (Decrease) in fixed deposits and other bank balances	55.92	(48.74)	
Interest income	545.47	21.26	
Dividend received	(2.83)	6.01	
NET CASH INFLOW /(OUTFLOW) FROM INVESTING ACTIVITIES	(42,846.66)	(991.40)	
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from share application money	(1.97)	1.97	
Proceed from Issue of shares	2,267.78	-	
Proceeds from Issue of securities premium	18,142.22	-	
Net borrowings	19,091.50	604.50	
Interest expense	(394.63)	(22.88)	
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	39,104.90	583.59	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	9.43	(1.62)	
Cash and cash equivalents at the beginning of the year	26.96	28.58	
Cash and cash equivalents at the end of the year	36.39	26.96	
Previous year's figures have been regrouped / reclassified wherever necessary, to confirm the current year's classification.			
Significant accounting policies	1 to 2		
Notes forming part of the Financial Statements	3 to 41		

As per our Report of even date
For **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

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Director
(DIN :05333936)

S. G. Muthu Kumar
Chief Financial Officer

Khyati C Valia
Director
(DIN: 03445571)

Haroon Mansuri
Company Secretary

Notes forming part of financial statements for the year ended March 31, 2017

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 BSE Limited. The Company is engaged in Advisory Services and trading activities besides holding investment in subsidiaries. The Group business consist of equity and commodity broking, financial services, Investment banking, Reinsurance and third party distribution activities which are carried out by separate subsidiaries of Fortune.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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") specified under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

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. Professional fees and other service charges are accounted when there is reasonable certainty of its ultimate realization / collection.
- c. Sales are recognised when goods are supplied and significant risk and rewards of ownership in the goods are transferred to the buyer.
- d. Income from distribution is accounted when there is reasonable certainty of its ultimate realization/collection.
- e. Interest income is recognized on an accrual (time proportion) basis.
- f. Dividend income is recognized when the right to receive dividend is established.
- g. Profit / loss on sale of investment is determined at the time of actual sale/ redemption

2.4 Employee benefits

a) Provident fund

The Company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & Loss in the year in which they incur.

b) Gratuity

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

c) Compensated absences

Compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at the date of the balance sheet, actuarial gains / losses , if any , are immediately recognized in the statement of profit and loss.

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, 2017

- 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 Non current 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, 2017

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.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits with bank. The Company considers all highly liquid investments/ bank deposits with a remaining maturity on the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3 SHARE CAPITAL	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Authorised				
Equity shares of ₹ 10 each	60,000,000	6,000.00	60,000,000	6,000.00
		<u>6,000.00</u>		<u>6,000.00</u>
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	51,023,767	5,102.38	28,345,990	2,834.60
TOTAL		<u>5,102.38</u>		<u>2,834.60</u>

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
At the beginning of the year	28,345,990	2,834.60	28,345,990	2,834.60
Issued during the year	22,677,777	2,267.78	-	-
At the end of the year	<u>51,023,767</u>	<u>5,102.38</u>	<u>28,345,990</u>	<u>2,834.60</u>

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

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% of Holding	Number of shares	% of Holding
Neostar Developers LLP	23,742,082	46.53	1,14,51,803	40.40
Aditya InfoTech Private Limited	12,154,262	23.82	61,70,712	21.77
Nogard Investments Limited	1,799,000	3.53	1,800,000	6.35

c Terms / Rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 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.

Notes forming part of financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
4 RESERVES AND SURPLUS			
Capital Reserve			
Opening balance		268.00	268.00
Closing Balance		268.00	268.00
Securities Premium Account			
Opening balance		15,782.88	15,782.88
Add : Addition during the year		18,142.22	-
Closing Balance		33,925.10	15,782.88
General Reserve			
Opening balance		439.18	439.18
Add: Transferred from Surplus during the year		-	-
Closing Balance		439.18	439.18
Surplus in Statement of Profit and Loss			
Balance as per last balance sheet		2,200.78	2,189.89
Add: Profit for the year		71.76	10.89
Net surplus in Statement of Profit and Loss		2,272.54	2,200.78
TOTAL		36,904.82	18,690.84
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
5 LONG TERM PROVISIONS			
For Employee benefits			
Unavailed leave		4.56	-
TOTAL		4.56	-
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
6 SHORT TERM BORROWINGS			
Unsecured			
Loan repayable on demand			
Loan from related party		-	604.50
Other borrowings		19,696.00	-
TOTAL		19,696.00	604.50
		(₹ in lakhs)	
		As at March 31, 2017	As at March 31, 2016
7 TRADE PAYABLES			
Total Outstanding Dues of micro enterprise and small enterprises		-	-
Total Outstanding Dues of Creditors other than micro enterprise and small enterprises (includes sundry creditors, provisions for expenses and customers payables)		38.16	19.29
TOTAL		38.16	19.29

Notes forming part of financial statements for the year ended March 31, 2017

(₹ in lakhs)

8 OTHER CURRENT LIABILITIES		As at March 31, 2017	As at March 31, 2016
Unclaimed dividends		12.16	15.08
Statutory liabilities		85.43	28.97
Other payables		22.55	44.91
Advance received against sale of investments from related party		5,000.00	-
Interest accrued and due			
- Related parties		530.13	20.59
- Others		124.40	-
TOTAL		5,774.67	109.55

(₹ in lakhs)

9 SHORT-TERM PROVISIONS		As at March 31, 2017	As at March 31, 2016
Provision for employee benefits			
Unavailed leave		0.64	8.68
TOTAL		0.64	8.68

10 FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition during the year	Deductions/ Adjustments during the year	As at 31.03.2017	As at 01.04.2016	For the Year	On deductions/ Adjustments	As at 31.03.2017	As at 31.03.2017	As On 31.03.2016
Tangible assets										
Computers	0.04	5.06	-	5.10	0.03	1.95	-	1.98	3.12	0.01
Office equipments	0.24	-	-	0.24	0.21	0.02	-	0.23	0.01	0.03
Furniture and fixtures	2.88	-	-	2.88	2.74	-	-	2.74	0.14	0.14
Leasehold improvements	16.70	1.01	-	17.71	5.15	3.66	-	8.81	8.90	11.55
TOTAL	19.86	6.08	-	25.94	8.13	5.63	-	13.76	12.17	11.73
Previous year	23.61	-	3.75	19.86	8.21	3.67	3.75	8.13	11.73	15.40
Intangible assets										
Computer software	17.80	-	-	17.80	17.80	-	-	17.80	-	-
TOTAL	17.80	-	-	17.80	17.80	-	-	17.80	-	-
Previous year	17.80	-	-	17.80	17.80	-	-	17.80	-	-
TOTAL	37.66	6.08	-	43.74	25.93	5.63	-	31.56	12.17	11.73
Previous year	41.41	-	3.75	37.66	26.00	3.67	3.75	25.93	11.73	15.40

Notes forming part of financial statements for the year ended March 31, 2017

11 NON-CURRENT INVESTMENTS	Face value ₹	As at March 31, 2017 Number of instruments	As at March 31, 2016	As at March 31, 2017 Amount (₹ in lakhs)	As at March 31, 2016
a) Investment in Equity shares (unquoted) (Fully paid up)					
(i) Investment in subsidiaries (Trade)					
Intime Equities Limited	10	16,650,000	16,650,000	3,769.70	3,769.70
Intime Multi Commodity Company Limited	10	3,000,000	3,000,000	300.00	300.00
Fortune Credit Capital Limited	10	50,000,000	40,000,000	12,550.00	8,550.00
ITI Asset Management Limited	10	1,000,000	600,000	3,035.00	60.00
Fortune Integrated Home Finance Limited	10	2,000,000	250,000	550.00	25.00
Antique Stock Broking Limited	10	35,000,000	35,000,000	3,700.00	3,700.00
Inga Capital Private Limited	10	6,991,810	6,991,810	1,006.30	1,006.30
Distress Asset Specialist Private Limited	10	100,000	100,000	16.13	16.13
The Investment Trust of India Limited	10	2,270,000	2,270,000	227.00	227.00
ITI Reinsurance Limited	10	164,080,000	80,000	32,612.00	8.00
ITI Gilts Private Limited	10	5,100,000	-	510.00	-
ITI Mutual Fund Trustee Private Limited	10	10,000	-	1.00	-
Sub Total				58,277.13	17,662.13
(ii) Investment in associates (Trade)					
Fortune Integrated Assets Finance Limited	10	4,829,545	3,125,000	4,765.62	2,890.63
United Petro Finance Limited	10	8,120,000	500,000	999.20	50.00
Sub Total				5,764.82	2,940.63
(iii) Others (Non Trade)					
BSE Limited	1	-	70,694	-	0.05
				-	0.05
Sub Total				64,041.95	20,602.81
b) Investment in Preference shares (unquoted) (Fully paid)					
Investment in subsidiary (Trade)					
Intime Equities Limited (subsidiary)					
10% Redeemable cumulative preference shares	10	500,000	500,000	50.00	50.00
12.50% Redeemable cumulative preference shares	10	900,000	900,000	90.00	90.00
Sub Total				140.00	140.00
c) Investment in other convertible debentures (unquoted) (Fully paid)					
Investment in subsidiary (Trade)					
Inga Capital Private Limited	1000	500	500	50.00	50.00
Sub Total				50.00	50.00
TOTAL				64,231.95	20,792.81

(Aggregate amount of unquoted investments ₹ 64,231.95 lakhs (Previous year ₹ 20,792.81 lakhs))

Notes forming part of financial statements for the year ended March 31, 2017

(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
12 DEFERRED TAX ASSETS (NET)		
Provision for employee benefits	1.12	2.68
Related to fixed assets	11.22	8.30
TOTAL	12.34	10.98
(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
13 LONG TERMS LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits	31.39	31.39
Gratuity Assets	4.11	-
Advance tax and tax deducted at source (Net)	168.51	202.55
TOTAL	204.01	233.94
(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
14 OTHER NON CURRENT ASSETS		
Unsecured , considered good		
Unamortised share issue expenses	55.11	-
TOTAL	55.11	-
(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
15 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period not exceeding six months	164.27	214.18
Others	90.23	-
TOTAL	254.50	214.18
(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016
16 CASH AND CASH EQUIVALENTS		
Balances with banks		
In current accounts	33.83	26.54
Cash on hand	2.56	0.42
	36.39	26.96
Other Bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	51.03
Unclaimed dividend account	12.16	15.08
Share application money account	-	1.97
	12.16	68.08
TOTAL	48.55	95.04

Notes forming part of financial statements for the year ended March 31, 2017

		(₹ in lakhs)	
		As at	As at
		March 31, 2017	March 31, 2016
17 SHORT TERM LOANS AND ADVANCES			
Unsecured, considered good			
Security deposits	-	102.05	
Loans to related parties	901.45	15.20	
Loans to employees	0.75	2.12	
Prepaid expenses	1.07	1.91	
Assignment receivables	818.15	-	
Advance for investments (Refer Note No. 30)	748.85	541.51	
Gratuity assets	1.76	0.67	
Balances with authorities	2.21	8.99	
Other amount recoverable in cash or kind or for value to be received	3.77	152.26	
Advances to related parties	0.02	67.37	
TOTAL	2,478.03	892.08	
		(₹ in lakhs)	
		As at	As at
		March 31, 2017	March 31, 2016
18 OTHER CURRENT ASSETS			
Unsecured, considered good			
Interest accrued and due			
- Related parties	186.19	18.19	
- Others	20.01	0.10	
Other receivables	-	0.38	
Unamortised share Issue expenses	18.37	-	
TOTAL	224.57	18.67	
		(₹ in lakhs)	
		Year Ended	Year Ended
		March 31, 2017	March 31, 2016
19 REVENUE FROM OPERATIONS			
Advisory / Consultancy income	346.41	325.08	
Sale of Products (Traded goods)	753.50	-	
Income from assignment receivables	125.87	-	
Interest on fixed deposits	3.41	0.11	
Rent income	6.76	-	
TOTAL	1,235.95	325.19	
		(₹ in lakhs)	
		Year Ended	Year Ended
		March 31, 2017	March 31, 2016
20 OTHER INCOME			
Interest income	542.06	21.26	
Dividend income	2.83	6.01	
Miscellaneous income	0.01	0.06	
Sundry balances written back	5.74	-	
TOTAL	550.64	27.33	

Notes forming part of financial statements for the year ended March 31, 2017

		(₹ in lakhs)
		Year Ended
		March 31, 2016
21 EMPLOYEE BENEFIT EXPENSES	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries , bonus and allowances	258.38	132.74
Contributions to gratuity, provident and other funds	16.03	12.68
Staff welfare expenses	4.15	4.53
TOTAL	278.56	149.95
		(₹ in lakhs)
		Year Ended
		March 31, 2016
22 FINANCE COST	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest expenses	394.63	22.88
Bank charges	0.25	0.03
TOTAL	394.88	22.91
		(₹ in lakhs)
		Year Ended
		March 31, 2016
23 OTHER EXPENSES	Year Ended March 31, 2017	Year Ended March 31, 2016
Service Charge	-	0.34
Other operational expenses	1.53	11.94
Rent (Refer note 27)	47.04	47.63
Rates and taxes	10.73	18.14
Printing and stationery	2.49	1.37
Travelling and conveyance expenses	22.19	13.75
Motor vehicle expenses	6.29	8.36
Electricity charges	36.87	34.89
Communication expenses	4.49	4.51
Advertisement expenses	3.42	1.66
Legal and professional fees	128.13	33.48
Auditors' remuneration		
- Statutory audit	2.75	2.50
- Tax audit	0.99	0.90
- Other Services	3.76	2.61
Repairs and maintenance		
- Building	6.97	10.40
- Others	5.52	6.25
Membership and subscription	5.00	-
Business promotion expenses	14.38	17.05
Assignment receivables written off	113.27	-
Director' sitting fees	10.95	10.40
Amortisation of share issue expenses	18.60	-
Sundry balances written off	86.54	-
Computer Software Charges	3.46	5.27
Miscellaneous expenses	7.55	0.76
TOTAL	542.92	232.21

Notes forming part of financial statements for the year ended March 31, 2017

24 SEGMENT REPORTING

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:

(₹ in Lakhs)

Particulars	Advisory services and investment activities		Trading Activities		Total	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Segment revenue						
External revenue	1,033.09	352.52	753.50	-	1,786.59	352.52
Inter segment revenue	-	-	-	-	-	-
Total revenue	1,033.09	352.52	753.50	-	1,786.59	352.52
Segment Result	(188.90)	(56.22)	16.84		(172.06)	(56.22)
Profit before tax	129.08	12.53	16.84	-	145.92	12.53
Provision for tax						
Current tax	75.00	1.40	-	-	75.00	1.40
Deferred tax	(1.37)	0.24	-	-	(1.37)	0.24
Current tax relating to prior years	0.53	-	-	-	0.53	-
Total Result	54.92	10.89	16.84	-	71.76	10.89
Segment assets	67,521.23	22,269.43	-	-	67,521.23	22,269.43
Segment liabilities	25,514.03	743.99	-	-	25,514.03	743.99
Net Segment Assets	42,007.20	21,525.44	-	-	42,007.20	21,525.44
Other Information						
a) Capital expenditure	6.08	-	-	-	6.08	-
b) Depreciation	5.63	3.67	-	-	5.63	3.67

Notes forming part of financial statements for the year ended March 31, 2017

25 Related party Transactions

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
ITI Asset Management Limited (Formerly known as ITI Investment Advisors Limited)	Subsidiary
Fortune Integrated Home Finance Limited	Subsidiary
Antique Stock Broking Limited	Subsidiary
Inga Capital Private Limited	Subsidiary
ITI Mutual Fund Trustee Private Limited (w.e.f 24.10.2016)	Subsidiary
ITI Gilts Private Limited (Formerly known as Crest Debt Capital Markets Private Limited (w.e.f 21.04.2016))	Subsidiary
Distress Asset Specialist Private Limited	Subsidiary
The Investment Trust of India Limited (Formerly known as ITI Wealth Management Private Limited)	Subsidiary
ITI Reinsurance Limited (Formerly known as Kohinoor India Reinsurance Co. Limited)	Subsidiary
Neue Allianz Corporate Services Private Limited	Step down subsidiary
Antique Stock Broking (IFSC) Private Limited(w.e.f 01.12.2016)	Step down subsidiary

ii) Enterprises having significant influence

Fortune Integrated Assets Finance Limited	Associate
United Petro Finance Limited	Associate
Wind Construction Private Limited (w.e.f. 25.06.2016)	Subsidiary of associate

iii) Key managerial personnel and their relatives

Mr. S. G. Muthu Kummar	Chief Financial Officer
Mr. Aalok Dave (upto 05.10.2016)	Manager
Mr. Prateek Tayal (w.e.f. 06.10.2016)	Manager

b) Details of transactions with related parties referred to above

Nature of Transactions	2016-17	(₹ in lakhs) 2015-16
1. Remuneration		
Mr. Yashpal Madan	-	5.10
Mr. Aalok Dave	51.82	41.94
Mr. Prateek Tayal	7.78	-
2. Interest charged		
Fortune Integrated Assets Finance Limited	-	19.37
Fortune Credit Capital Limited	344.23	0.85
Antique Stock Broking Limited	5.88	-
Intime Equities Limited	16.16	-
ITI Asset Management Limited	1.73	-
Distress Asset Specialist Private Limited	109.86	0.84
United Petro Finance Limited	396.87	-

Notes forming part of financial statements for the year ended March 31, 2017

Nature of Transactions	2016-17	(₹ in lakhs) 2015-16
3. Interest paid		
Fortune Credit Capital Limited	492.77	22.88
ITI Asset Management Limited	106.85	-
Intime Equities Limited	0.62	-
4. Rent Receipt		
ITI Gilts Private Limited	3.38	-
5. Reimbursement		
Fortune Integrated Assets Finance Limited	60.76	35.18
6. Investment in equity shares of subsidiaries		
Fortune Credit Capital Limited	4,000.00	1,620.00
Fortune Integrated Home Finance Limited	525.00	-
ITI Reinsurance Limited	32,604.00	-
ITI Asset Management Limited	5,000.00	-
ITI Gilts Private Limited	510.00	-
ITI Mutual Fund Trustee Private Limited	1.00	-
INGA Capital Private Limited	-	320.67
7. Investment in equity shares of associates		
Fortune Integrated Assets Finance Limited	1,875.00	-
United Petro Finance Limited	949.20	-
8. Sale of Investment of ITI Asset Management Limited		
Fortune Credit Capital Limited	2,025.00	-
9. Consideration paid for assignment		
Fortune Integrated Assets Finance Limited	1,200.00	-
10. Assignment collection received		
Fortune Integrated Assets Finance Limited	374.45	
11. Loan taken from		
Fortune Credit Capital Limited	10,697.00	634.50
Intime Equities Limited	124.00	-
12. Loan repaid		
Fortune Credit Capital Limited	11,301.50	-
Intime Equities Limited	124.00	-
13. Loan given to		
Fortune Credit Capital Limited	20,405.79	127.00
Distress Asset Specialist Private Limited	1,203.45	15.20
ITI Asset Management Limited	25.00	-
Intime Equities Limited	2,590.00	-
United Petro Finance Limited	11,110.37	-
Antique Stock Broking Limited	900.00	-
14. Loan received back		
Fortune Credit Capital Limited	20,405.79	-
Distress Asset Specialist Private Limited	302.00	-
ITI Asset Management Limited	25.00	-
Intime Equities Limited	2,590.00	-
United Petro Finance Limited	11,110.37	-
Antique Stock Broking Limited	900.00	-

Notes forming part of financial statements for the year ended March 31, 2017

(₹ in lakhs)

Nature of Transactions	2016-17	2015-16
15. Advance received against sale of investments		
Fortune Credit Capital Limited	11,130.00	-
ITI Asset Management Limited	5,000.00	-

c. Amount due to/from related parties

(₹ in lakhs)

Nature of Transactions	As at March 31, 2017	As at March 31, 2016
1. Advance received for sale of investment		
ITI Asset Management Limited	5,000.00	-
2. Loan taken from		
Fortune Credit Capital Limited	-	604.50
3. Loan given to		
Distress Asset Specialist Private Limited	901.45	15.20
4. Other advances		
Others	-	67.37
5. Other payables		
Fortune Credit Capital Limited	-	20.59
6. Interest accrued and due on Inter corporate deposit given		
Fortune Integrated Assets Finance Limited	-	17.44
Distress Asset Specialist Private Limited	97.28	0.75
Fortune Credit Capital Limited	2.56	-
ITI Asset Management Limited	0.70	-
Intime Equities Limited	0.81	-
7. Interest accrued and due on Inter corporate loan/advance taken		
Fortune Credit Capital Limited	433.59	-
Intime Equities Limited	0.38	-
ITI Asset Management Limited	94.73	-
8. Interest accrued and due on advance received against investments		
ITI Asset Management Limited	96.16	-
9. Assignment collection receivables		
Fortune Integrated Assets Finance Limited	84.84	-
10. Remuneration		
Mr. Prateek Tayal	2.26	-
11. Guarantees given		
Intime Equities Limited	10,000.00	10,000.00
Fortune Integrated Assets Finance Limited	-	7,500.00
Antique Stock Broking Limited	5,000.00	5,000.00
Intime Multi Commodity Company Limited	1,300.00	-
Fortune Credit Capital Limited	5,000.00	-

Related parties are identified by management and relied upon by auditors.

Notes forming part of financial statements for the year ended March 31, 2017

26 Disclosure as per accounting standard 15 “Employee Benefits”

Benefit plan for gratuity as per actuarial valuation certificate

	₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Change in present value of defined benefit obligation		
Liability at the beginning of the year	11.00	9.63
Interest cost	0.89	0.76
Current service cost	1.38	1.27
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	(6.58)	(0.66)
Liability at the end of the year	6.69	11.00
Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	11.67	9.77
Expected return on plan assets	0.94	0.77
Contributions	-	1.21
Fund Transfer in	-	-
Benefit paid	-	-
Actuarial gain/(loss) on plan assets	(0.05)	(0.08)
Fair value of plan assets at the end of the year	12.56	11.67
Amount Recognised in the Balance Sheet		
Liability at the end of the year	6.69	11.00
Fair value of plan assets at the end of the year	12.56	11.67
Difference	(5.87)	(0.67)
Amount recognised in the balance sheet	(5.87)	(0.67)
Expenses recognised in the Statement Profit and Loss Account		
Current service cost	1.38	1.27
Interest cost	0.89	(0.01)
Expected return on plan assets	(0.94)	-
Actuarial gain / (loss)	(6.53)	(0.57)
Expense recognised in the Statement of Profit and Loss	(5.20)	0.69
Actuarial Assumptions		
Discount rate (per annum)	7.20%	8.06%
Rate of return on plan assets (per annum)	7.20%	8.06%
Attrition rate (per annum)	2.00%	2.00%
Salary escalation (per annum)	5.00%	5.00%

- 27 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 “23” is ₹ 47.04 lakhs (previous year ₹ 47.63 lakhs). Details of the minimum lease payments for the operating leases are provided hereunder:

	(₹ in lakhs)	
Particulars	As at March 31, 2017	As at March 31, 2016
Not later than one year	53.50	47.03
Later than one year but not later than five years	58.60	70.55
Later than five years	-	-

Notes forming part of financial statements for the year ended March 31, 2017

28 Earnings Per Share

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic		
Number of equity shares at the beginning of the year	28,345,990	28,345,990
Addition during the year	22,677,777	-
Number of equity shares at the end of the year	51,023,767	28,345,990
Weighted average number of equity shares	49,733,185	35,432,488
Net profit after tax (₹ in lakhs)	71.76	10.89
Basic earning per equity share of ₹ 10 each (₹)	0.14	0.03
Diluted		
Number of equity shares at the beginning of the year	28,345,990	28,345,990
Addition during the year	22,677,777	-
Number of equity shares at the end of the year	51,023,767	28,345,990
Weighted average number of equity shares	49,733,185	35,432,488
Net profit after tax (₹ in lakhs)	71.76	10.89
Diluted earning per equity share of ₹ 10 each (₹)	0.14	0.03

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

- a) Corporate guarantee issued in favour of a banks to secure credit facilities sanctioned by the banks to subsidiary companies ₹ 21,300 lakhs (Previous year ₹ 22,500 lakhs)
- b) Claims not acknowledged by the Company relating to income tax ₹ 49.09 lakhs (Previous year ₹ 38.82 lakhs)
- 30 In respect of litigations filed by the Company for recovery amount of ₹ 300.50 lakhs, no provision has been made as the management is of the opinion that entire amount is fully recoverable.
- 31 Exceptional Item represents profit on sale of Investment and sale of rights in property
- 32 During the year, the Company has allotted 22,677,777 (Two crores twenty six Lakhs seventy seven thousand seven hundred seventy seven) equity shares of ₹ 10 each at a price of ₹ 90/- (including premium of ₹ 80/- each) per equity share aggregating to ₹ 20,410.00 lakhs through right issue to its existing equity shareholders. Proceeds from the Right Issue have been fully utilised for the purpose for which it is raised.
- 33 The scheme of amalgamation ("Proposed Scheme") for amalgamation of The Investment Trust of India Ltd (Formerly known as ITI Wealth Management Private Limited) with the Company with effect from January 01, 2016 (appointed date) is approved by the Hon'ble Bombay High Court. However, approval to the Proposed Scheme from Hon'ble Chennai High Court/National Company Law Tribunal (NCLT) and other applicable regulatory authorities are yet to be received. Pending approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.
- 34 The Scheme of Arrangement ("Proposed Scheme") between United Petro Finance Limited ('UPFL' or the 'Demerged Company') and Fortune Credit Capital Limited ('FCCL' or the 'Resulting Company') Company and their respective shareholders providing for the demerger of Lending Business ('NBFC Business') of UPFL to FCCL (Wholly Owned Subsidiary of Company), and issue of equity shares of the Company to the shareholders of UPFL with effect from March 31, 2017 (appointed date) was approved by the Board of Directors of the respective Companies on March 31, 2017. However, the approval to the Proposed Scheme from National Company Law Tribunal (NCLT), Reserve Bank of India (RBI) and other applicable regulatory authorities are yet to be received. Pending the approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.
- 35 The Scheme of Amalgamation ("Proposed Scheme") for amalgamation of Fortune Integrated Assets Finance Limited ('FIAFL' or the 'Transferor Company') with Company and their respective shareholders with the Company with effect from March 31, 2017 (appointed date) was approved by the Board of Directors of the respective Companies on April 25, 2017. However, the approval to the Proposed Scheme from National Company Law Tribunal (NCLT), Reserve Bank of India (RBI) and other applicable regulatory authorities are yet to be received. Pending the approval of the Proposed Scheme, no effect of the Proposed Scheme has been given in these financial statements.

36 Disclosure required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Name of subsidiary company	Outstanding as at March 31, 2017	(₹ in lakhs) Maximum outstanding during the period
Distress Asset Specialist Private Limited	901.45	1,159.45

37 Disclosure for details of Specified Bank Notes (SBN) held and transacted during the period from 08th November to 30th December, 2016

(₹ in lakhs)

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand Balance as on 8th November 2016		0.55	0.55
Transactions between 9th November, 2016 and 30th December, 2016			
Add: Withdrawal from Bank accounts	-	2.49	2.49
Add: Permitted Receipts	-	-	-
Less : Permitted payments	-	-	-
Less : Used for regular expenses/payments	-	0.58	0.58
Less: Amount Deposited in bank accounts	-	-	-
Closing balance as at 30th December, 2016,	-	2.46	2.46

38 The company has requested its creditors to confirm the applicability to them under the Micro Small and Medium Enterprises Development Act, 2006. Based on the responses received by the Company, the details of dues to micro enterprises and small enterprises are as under:

(₹ in lakhs)

Particulars	2016-17	2015-16
i. The principal amount and the interest due thereon (to be shown separately remaining unpaid to any supplier as at the end of accounting year.	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium enterprises Development act, 2006.	-	-

Note: The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

39 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.
40 Balances standing in debtors, creditors and loan and advances are subject to confirmation.
41 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 **BATHIYA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.101046W / W100063

Umesh B Lakhani
Partner
Membership No.044981
Mumbai, May 17, 2017

For and on behalf of
Fortune Financial Services (India) Limited

Chintan V Valia
Director
(DIN :05333936)

Khyati C Valia
Director
(DIN: 03445571)

S. G. Muthu Kumar
Chief Financial Officer

Haroon Mansuri
Company Secretary

NOTICE

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the members of **Fortune Financial Services (India) Limited** will be held on **Friday, 8th September, 2017 at 10.00 a.m.** at Matunga Gujarati Club Limited, M. V. Savani Conference Hall, 2nd Floor, Nathalal Parekh Marg, Near Arora Cinema, Matunga, Mumbai - 400 019 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2017 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, 2017.
2. To appoint a Director in place of Ms. Khyati Valia, (DIN : 03445571) who retires by rotation at this annual general meeting and being eligible, offers herself 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 23rd annual general meeting held on 22nd September, 2014 the appointment of Bathiya & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Nos. 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, 2018 as may be determined by the audit committee in consultation with the statutory auditors."

SPECIAL BUSINESS :

4. Appointment of Mr. Alok Kumar Misra as an Independent Director not liable to retire by rotation

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

"RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Alok Kumar Misra (DIN : 00163959) who was appointed as an Additional Independent Director of the Company pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office from 16th September, 2016 for a term of 5 (Five) years up to 15th September, 2021.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

5. Appointment & payment of remuneration to Mr. Prateek Tayal - Manager under the Companies Act, 2013.

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. Prateek Tayal who was appointed as a Manager under the Companies Act w e f 6th October, 2016 for a period of 3 (three) years on the terms and conditions, set out in the agreement between the Company and Mr. Prateek Tayal produced at this meeting and, for the purpose of identification, initialed 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. Prateek Tayal 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. Raising of funds

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Sections 23, 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and all other applicable rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 (collectively "the Act") (including any amendments / modifications thereto or re-enactment thereof for the time being in force) and provisions of the Memorandum and Articles of Association of the Company, the Uniform Listing Agreement entered into with the Stock Exchange and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR") as amended from time to time, the provisions of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security

by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("ROC"), the Stock Exchange and any appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals") which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute), the approval of the Board be and is hereby accorded to create, issue, offer and allot Equity Shares to the Qualified Institutional Buyers ("QIBs") on a private placement basis through a Qualified Institutions Placement ("QIP") or through any other permissible mode in accordance with Chapter VIII of the SEBI ICDR, whether or not such QIBs are Members of the Company, through a Placement Document, at such time or times in one or more tranche or tranches, at par or at such price as the Board deems fit and as may be determined in accordance with the provisions under Chapter VIII of the SEBI ICDR, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the merchant banker(s), advisors or other intermediaries, provided however that the total amount raised through the issuance of such Equity Shares shall not exceed ₹ 400 Crores (Rupees Four Hundred Crores only).

RESOLVED FURTHER THAT, the pricing shall be in accordance with regulation 85 of Chapter VIII of the SEBI ICDR, as amended from time to time. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI ICDR, as amended from time to time.

RESOLVED FURTHER THAT in terms of Chapter VIII of the SEBI ICDR, the allotment of the Equity Shares as may be decided by the Board shall be completed within 12 months from the date of passing of this Resolution or such other time as may be allowed under the SEBI ICDR from time to time, at such price being not less than the price determined in accordance with the provisions of SEBI ICDR and the Equity Shares shall not be eligible to be sold for a period of 12 months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR.

RESOLVED FURTHER THAT the relevant date ("Relevant Date") for determination of applicable price for the issue of the Equity Shares shall be the date of meeting in which the Board decides to open the proposed issue of Equity Shares under Chapter VIII of the SEBI ICDR.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the issue, allotment, listing and trading of the Equity Shares as above, the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, including to obtain any approvals, permissions, sanctions from SEBI, Stock Exchange, Foreign Investment Promotion Board, Reserve Bank of India, and such other authorities which may be necessary or desirable, and to execute all such arrangements, contracts/agreements, memorandums, documents, etc. and to appoint and remunerate the managers, bankers, lawyers, advisors and all such agencies / intermediaries by way of commission, brokerage, fee and the like that may be involved or connected in such offerings of the Equity Shares, with power on behalf of the Company to settle any questions, difficulties or doubts, that may arise in regard to such issue, offer and allotment of Equity Shares and utilization of issue proceeds, in its absolute discretion.

RESOLVED FURTHER THAT the Board shall have authority and power to accept any modification in the proposal as may be required or imposed by GOI/RBI/SEBI/Stock Exchange or other appropriate authorities at the time of according / granting the requisite approval to the issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred to any Committee of Directors or any other officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid Resolution."

7. Alteration of Memorandum of Association for increase in Authorised Capital of the Company

To consider and if thought fit, to give assent/dissent to passing of the following resolution as an **Ordinary resolution**:

"RESOLVED THAT pursuant to Sections 13 and 61 and any other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or re-enactment thereof) and other applicable provisions of the said Act,, the authorised share capital of the Company be increased from ₹ 60,00,00,000 (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores) equity shares of ₹ 10 (Rupees Ten only) each to ₹ 100,00,00,000 (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of ₹ 10 (Rupees Ten only) each by creating additional 4,00,00,000 (Four crores) equity shares of ₹ 10 (Rupees Ten only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be altered by substituting with the following new clause:

V. The Authorised Share Capital of the Company is ₹ 100,00,00,000 (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crores) equity shares of ₹ 10 (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the general meeting at the time of issue the Company has and shall always have the power to divide the share capital from time to time and to vary, modify and abrogate any rights privileges or conditions attached to the share in such manner as may for the time being provided in the regulations of the Company.

RESOLVED FURTHER THAT the board of directors of the Company be and are hereby severally authorized to make the necessary filings with the Registrar of Companies, other applicable filings with regulatory authorities and other necessary documents, and to do all such other acts, deeds, matter and things as may be considered fit to give effect to the above mentioned resolution".

8. To approve FFSIL - Employees Stock Option Plan 2017 and in this regard, to pass the following resolution as a Special Resolution:

To consider and if thought fit, to give assent/dissent to the passing of the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42 and 62 (1) (b) of the Companies Act, 2013 (**“the Act”**) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (**“the SEBI ESOS Regulations”**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“the SEBI LODR Regulations”**), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the FFSIL - Employees Stock Option Plan 2017 (**“ESOP - 2017”**) the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as **“Employees”**) selected on the basis of criteria decided by the Board under the ESOP-2017, such number of stock options convertible into Equity Shares of the Company (**“Options”**), in one or more tranches, not exceeding 30,00,000 equity shares of face value of ₹ 10 each, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2017, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2017 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2017 and the exercise price of Options granted under the ESOP-2017 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10 per equity share bears to their vised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2017.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2017, determine the detailed terms and conditions of the aforementioned ESOP-2017 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP-2017 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP-2017.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2017 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2017 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2017 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2017 at any stage including at the time of listing of the equity shares issued herein 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 the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”



9. To extend approval of FFSIL - Employees Stock Option Plan 2017 to the employees of Subsidiary Company(ies).

To consider and if thought fit, to give assent/dissent to the passing of the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 (1) (b) of the Companies Act, 2013 (**"the Act"**) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (**"the SEBI ESOS Regulations"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI LODR Regulations"**), the Uniform Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **"the Board"**, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Board be and is hereby accorded extend the benefits of FFSIL - Employees Stock Option Plan 2017 (**"ESOP- 2017"**) proposed in the resolution number 8 above to such persons who are in the permanent employment of the subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or out side India as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as **"Subsidiary Companies"**), whether working in India or out of India and to the directors of the Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as **"Subsidiary Companies Employees"** at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP- 2017.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP- 2017 from time to time or to suspend, withdraw, or revive ESOP- 2017 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

10. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Three per cent of the issued Capital of the Company during any One financial year to identified employees under FFSIL - Employees Stock Option Plan 2017:

To consider and if thought fit, to give assent/dissent to passing of the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as and when it is made applicable to the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company not exceeding One per cent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of option to identified employees under **'FFSIL - Employees Stock Option Plan 2017 (ESOP - 2017)** during any One year, equal to or exceeding One per cent but not exceeding Three per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner as stated in 'FFSIL - Employees Stock Option Plan 2017'.

By Order of the Board of Directors

Haroon Mansuri
Company Secretary

Mumbai, 25th May, 2017

Fortune Financial Services (India) Limited
CIN: L65910MH1991PLC062067

Registered Office:

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

**Notes:****A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.**

Proxies in order to be effective must be lodged with the Company not less than 48 hours before the time of the meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

In case of Joint Holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per Register of members will be entitled to vote.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

The register of members and the share transfer books of the Company will remain closed from **3rd September, 2017 to 8th September, 2017** (both days inclusive).

The annual report containing stand-alone & consolidated financial statements for the financial year ended March 31 2017 together with the reports of Auditors and Directors Report and notice of the ensuing AGM and financial statements of the subsidiary companies are available on Company's website,

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. Relevancy of question and the order of speakers will be decided by the Chairman of the meeting.

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 Sharegistry (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.

1. 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 hold the shares in physical form are requested to register their e mail with the Company or Registrar & Share Transfer Agents. This will enable the Company to send the annual reports by e mail.

2. 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 Regulation 44 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 26th Annual General Meeting to be held on **Friday, 8th September, 2017 at 10.00 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

(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

(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 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:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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.

(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 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.com> 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.
- 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 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 Friday, 8th September, 2017 at 10.00 a.m.

(B) General:

- 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 under 'HELP'.
- If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- The e-voting period commences on **Tuesday, 5th September, 2017 (9.00 a.m.) and ends on Thursday, 7th September, 2017 (5.00 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, 1st September, 2017, 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.
- 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 1st September, 2017.
- CS Dinesh Kumar Deora, Company Secretaries, Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 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.
- 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.

3. The Notice of the 26th Annual General Meeting and instructions for e-voting along with Assent/ Dissent Form, Attendance Slip and Proxy Form are being sent to members by Post.

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

Item No. 4 of the Notice

Pursuant to provisions of Sections 162, 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 57 of the Articles of Association of the Company and as per Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Alok Kumar Misra (DIN : 00163959) was appointed as an Additional Independent Director of the Company by the Board of Directors through circular resolution on 16th September, 2016. Being an Additional Director of the Company, he holds office only up to the date of this Annual General Meeting. The Company has received a notice together with a Deposit of ₹ 1,00,000 (Rupees One Lakh only) from one of the members of the Company signifying his intention to propose candidature of Mr. Alok Kumar Misra (DIN : 00163959) as an Independent Director of the Company not liable to retire by rotation.

Mr. Alok Kumar Misra M. Sc. (Statistics) from Lucknow University, Post Graduate Diploma in Personnel Management, CAIIB from Indian Institute of Bankers, Fellow of Certified Institute of Bankers of Scotland and Fellow of Zambian Institute of Bankers and Associate of Australian Institute of Banking & Finance. He has experience more than thirty five years in banking field and during his tenure he held various senior positions. He has joined Bank of India in 1974 as a Probationary Officer. He also worked with Canara Bank, as Executive Director and as a Chairman & Managing Director of Oriental Bank of Commerce. His last assignment was as a Chairman and Managing Director of Bank of India from August 2009 till September 2012.

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

None of the Directors other than Mr. Alok Kumar Misra (DIN: 00163959) may be deemed to be concerned or interested, financially or otherwise, in passing of the resolution at item no. 4 of the Notice.



Item No. 5 of the Notice

The Board of Directors through circular resolution on 6th October, 2016 have approved the appointment and payment of remuneration to Mr. Prateek Tayal as a Manager which has been recommended by the Nomination & Remuneration Committee.

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

A. Period: 3 (three) years from 6th October, 2016.

B. Remuneration:

1. Not exceeding ₹ 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 Sections 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, his knowledge, business acumen, expertise, and experience the appointment of Mr. Prateek Tayal will be in the interest of the company and its shareholders, and accordingly, recommend the resolutions at item no. 5 for your acceptance.

Mr. Prateek Tayal has done graduation in Business in Administration from NMIMS University. He is Global Master of Business Administration specializing in Investment and Wealth Management from S P Jain Institute of Management. He has also done level 1 of Chartered Alternative Investment Analyst from CAIA Institute

He has experience of more than five years in the field of debt management and investment portfolio.

The draft Agreement between the Company and Mr. Prateek Tayal 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 Directors and their relatives are concerned or interested, financially or otherwise, in the resolution at item no. 5 of the Notice.

Item no. 6 of the Notice

The Company is engaged in the business of financial consultancy and trading in goods. With a view to enhance Company's global competitiveness, the Company requires additional funds to invest in growth opportunities and fund the expansion plans of the Company or its subsidiaries.

To meet the requirements for the above purposes and for other general corporate purpose as may be decided by the Board of Directors from time to time (hereinafter called the "Board" which expression shall include any Committee of Directors constituted / to be constituted by the Board) from time to time, it is proposed to seek authorization of the Members of the Company in favour of the Board, without the need for any further approval from the Members, to undertake Qualified Institutions Placement ("QIP") or through any other permissible mode for issuance of Equity Shares of the Company to Qualified Institutional Buyers ("QIBs") in accordance with provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR"), as set out in the Special Resolution at Item No. 6 of the accompanying Notice.

In view of the above, the Board may, in one or more tranches, issue and allot Equity Shares for an aggregate amount not exceeding ₹ 400 Crores (Rupees Four Hundred Crores only).

The pricing of the Equity Shares that may be issued to QIBs pursuant to SEBI ICDR shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of SEBI ICDR. The price of Equity Shares to be issued, as may be decided by the Board, will be in accordance and compliance with the provisions of SEBI ICDR. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI ICDR, as amended from time to time;

For reasons aforesaid, an enabling Special Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms and conditions of the issue in accordance with SEBI ICDR. The Equity Shares issued pursuant to the offering would be listed on the Stock Exchange on which the Company's existing Equity Shares are listed. The issue/allotment of Equity Shares would be subject to the receipt by the Company of regulatory approvals, if any.

The total amount raised in such manner and all previous QIPs made by the Company in the financial year 2016-17, if any, would not exceed 5 times of the Company's net worth as per the audited balance sheet of the previous financial year.

Section 62(1)(c) of the Companies Act, 2013 ("Act") inter-alia provides that, further securities may be offered to any persons whether or not such persons are existing holders of Equity Shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Members of the Company. Accordingly, consent of the Members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act, SEBI ICDR and SEBI LODR and such other approvals as may be necessary to issue and allot Equity Shares as stated in the Special Resolution.

In connection with the proposed issue of Equity Shares, the Company is required, inter alia, to prepare various documentations and execute various agreements. Accordingly, it is also proposed to authorize the Board (including certain officers of the Company) to negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

The detailed terms and conditions of the issue will be determined by the Board in consultation with the merchant banker(s) and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Directors recommend the Special Resolution mentioned at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice except to the extent of their equity holdings in the Company, if any.

Item no. 7 of the Notice

The Company proposes to issue and allot equity shares of face value ₹ 10 (Rupees Ten Only) each under any permissible mode (hereinafter the "Allotment Shares"). The present authorised capital may not be sufficient, hence needs to be increased accordingly.

Thus, to accommodate the paid up capital of the Company, the authorized capital is proposed to be increased from ₹ 60 Crores divided in to 6,00,00,000 equity shares of ₹ 10 each to ₹ 100 Crores divided in to 10,00,00,000 equity shares of ₹ 10 each

Your directors seek members' approval for increase in the authorized capital of the Company by altering the applicable clauses of the Memorandum of Association of the Company and proposing the said resolutions as special resolution, as per Sections 13 and 61 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014.

None of the directors/manager/key managerial personnel of the Company and their relatives are interested in passing of the resolution at item nos. 7 of the notice.

Item Nos. 8 and 9 of the notice

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the /Subsidiary Company(ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Subsidiary Company(ies) on the growth path.

Keeping in line with the above, "FFSIL - Employees Stock Option Plan 2017" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOS Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 17th May, 2017, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2017;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the Scheme is given as under:

a) *The total number of options to be granted*

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 30,00,000 equity shares of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP-2017.

b) *Identification of classes of employees entitled to participate and beneficiaries in the Scheme*

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) *Terms of the scheme:*

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

d) *Transferability of Employee Stock Options:*

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

e) *Requirements of vesting and period of vesting*

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2017.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With or without cause)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement or early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period.	All Unvested Options shall vest immediately on the last date of working or 12 months from the date of grant, whichever is later and may be exercised by the Option Grantee within permitted exercise period.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 6 months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 6 months from the date of Death.
5	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 6 months from the date of such disability.	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 6 months from the date of such disability.
6	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
7	Other reasons apart from those mentioned above	The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

f) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

g) Exercise price or pricing formula

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be equal to ₹ 10/- (Rupees Ten only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2017.

h) Exercise period and process of exercise

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/ Committee may decide.

i) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

j) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOP-2017 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

k) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

l) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

n) Disclosure and accounting policies

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

o) Method of Valuation

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for the same.

p) Rights of the option holder

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

q) Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

r) Other terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2017, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution Nos. 8 & 9, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item Nos. 8 & 9 of the Notice for adoption by the Shareholders as Special Resolution/s.



Item No. 10 of the notice

The resolution set out at Item No. 8 and Item No. 9 provides that a Company may grant option to an employee and to a director of the Company and its subsidiary company (ies) not exceeding one per cent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant option exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 10 provides that the Company may grant option equal to or exceeding One per cent but not exceeding Three per cent in One year to identified employee/s or director/s of the Company.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 10, except to the extent of their entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolutions set out in Item No. 10 of the Notice for adoption by the Shareholders as special resolution.

By Order of the Board of Directors

Haroon Mansuri
Company Secretary

Mumbai, 25th May, 2017

Fortune Financial Services (India) Limited

CIN: L65910MH1991PLC062067

Registered Office:

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



Annexure to the AGM Notice 2017

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

(In pursuance of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1.	Name of Directors	Mr. Alok Kumar Misra (DIN : 00163959)	Ms. Khyati Valia (DIN : 03445571)
2.	Designation	Additional Independent Director	Non Executive Woman Director
3.	Date of Birth	23rd September, 1952	14th January, 1983
4.	Date of appointment on the Board	16th September, 2016	25th March, 2015
5.	Qualifications	M. Sc. (Statistics) from Lucknow University Post Graduate Diploma in Personnel Management, CAIIB from Indian Institute of Bankers, Fellow of Certified Institute of Bankers of Scotland and Fellow of Zambian Institute of Bankers and Associate of Australian Institute of Banking & Finance	BDS & MBA in Family Business from S. P. Jain Institute
6.	Expertise/experience	He has experience more than thirty five years in banking field and during his tenure he held various senior positions. He has joined Bank of India in 1974 as a Probationary Officer. He also worked with Canara Bank, as Executive Director and as a Chairman & Managing Director of Oriental Bank of Commerce. His last assignment was as a Chairman and Managing Director of Bank of India from August 2009 till September 2012	She has experience of around eight years in the field of marketing, and planning.
7.	Terms of appointment	Five years from the date of appointment	Not Applicable
8.	Remuneration (for the financial year 2016-2017)	Nil – except for sitting fees paid for attending the Board and committee meetings	Nil – except for sitting fees paid for attending the Board and committee meetings
9.	Number of Board meetings attended during the financial year 2016-2017	4 (four)	5 (five)
10.	Disclosure of relationship	Not related to any Director or promoters of the Company.	Wife of Mr. Chintan Valia who is a Promoter and Director of the Company. Daughter of Mr. Sudhir Valia and Ms. Raksha Valia who are part of promoter group of the Company.
11.	Directorships held in other public companies (excluding Foreign and section 25 companies.)	1. Monte Carlo Fashions Limited 2. ITI Asset Management Limited	1. Vision Finstock Limited 2. Suraksha Developers Limited 3. Jaankie And Sadguru Developers Limited 4. Finetrade Exports Limited
12.	Chairman/Member of the Committee of Board of Directors of the Company.	Chairman – Nomination and Remuneration committee Member – Audit Committee Stakeholders Relationship Committee Internal Finance Committee	Chairman – Nil Member – Nil
13.	Membership in committees in other public companies (considered only Audit Committee and Stakeholders Relationship Committee).	Chairman : Nil Member : Nil	Chairperson: Nil Member : Suraksha Realty Limited Audit Committee
14.	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, 25th May, 2017

Fortune Financial Services (India) Limited

CIN: L65910MH1991PLC062067

Registered Office :

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

Senapati Bapat Marg, Elphinstone Road

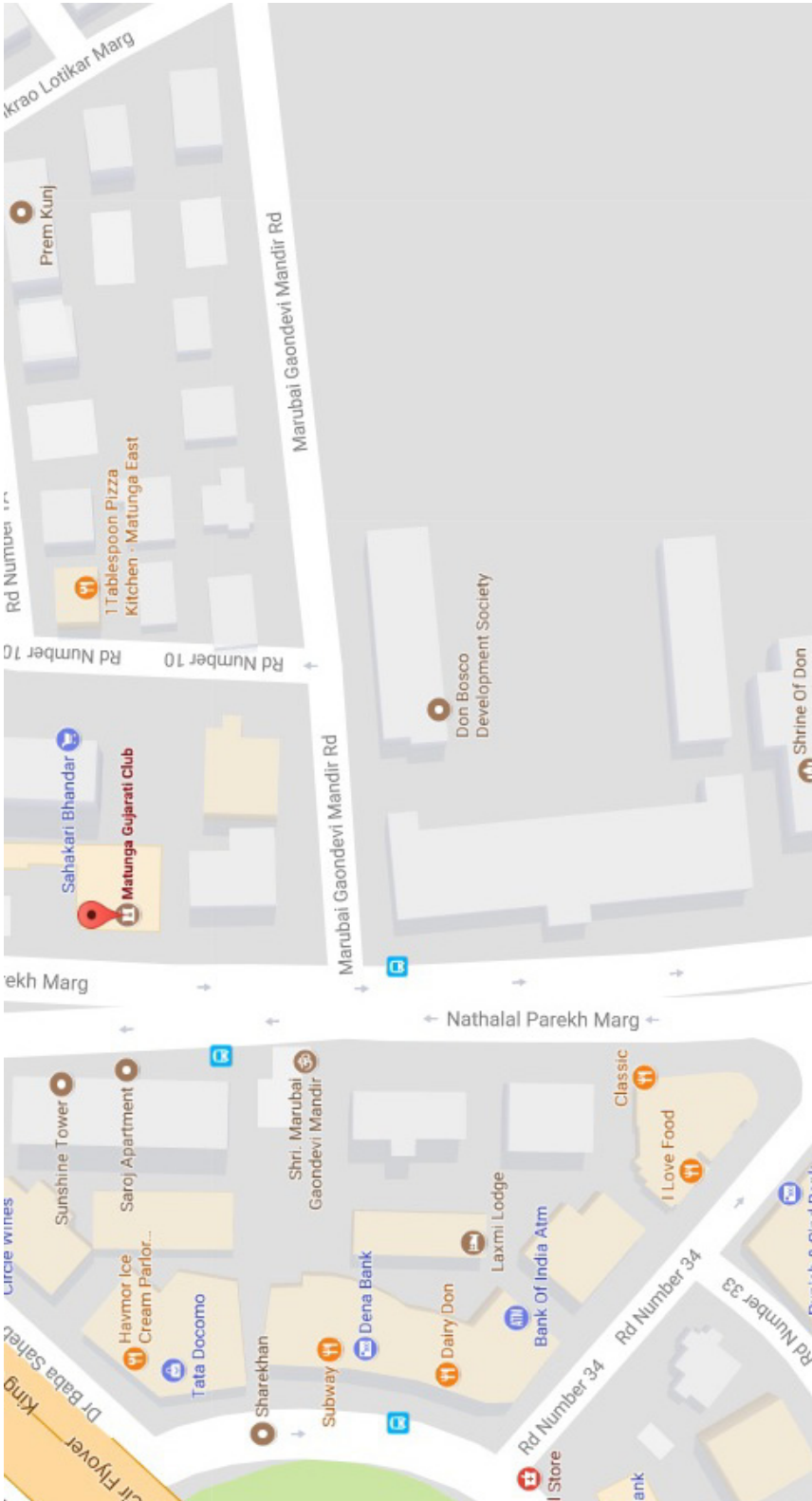
Mumbai - 400 013

e mail: cosecretary@ffsil.com

website: www.fortune.co.in



AGM ROUTE MAP





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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

ATTENDANCE SLIP

26th Annual General Meeting – Friday, 8th September, 2017

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 Sixth Annual General Meeting of the Company at Matunga Gujarati Club Limited, M V Savani Hall, 2nd Floor, Nathalal Parekh Marg, Near Arora Cinema, Matunga, Mumbai 400 019 on Friday, 8th September, 2017 at 10.00 a.m.

.....
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

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the
Companies (Management and Administration) Rules, 2014]

26th Annual General Meeting – Friday, 8th September, 2017

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 Sixth Annual General Meeting of the Company at Matunga Gujarati Club Limited, M V Savani Hall, 2nd Floor, Nathalal Parekh Marg, Near Arora Cinema, Matunga, Mumbai 400 019 on Friday, 8th September, 2017 at 10.00 a.m. and at any adjournment(s) thereof :

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

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

Signed thisday of2017.

Signature of members

Affix
Revenue
Stamp

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.



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Form No. MGT -12**Polling Paper**

[Pursuant to section 109 (5) of the Companies Act, 2013 and rule 21 (1)(c) of the Companies (Management and Administration) Rules, 2014]

Fortune Financial Services (India) Limited

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

Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013

Telephone : 022 – 4027 3600 ; **Fax :** 022 – 4027 3700

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

26th Annual General Meeting – Friday, 8th September, 2017

BALLOT PAPER

Sr. No.	Particulars	Details
1	Name of the first named shareholder	
2	Postal Address	
3	Registered Folio Number/ DP ID No./Client ID No. * (*Applicable to investors holding Shares in dema- terialized form)	
4	Class of share	

I hereby exercise my vote(s) in respect of the Ordinary / Special Resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner

Item No.	Description of resolutions	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1.	Adoption of the stand-alone and consolidated audited financial statements for the year ended March 31, 2017			
2.	Appointment of a Director in place of Ms. Khyati Valia, (DIN : 03445571) who retires by rotation and being eligible, offers herself for re-appointment.			
3.	Ratification for appointment of statutory auditors			
4.	Appointment of Mr. Alok Kumar Misra (DIN : 00163959) as an Independent Director of the Company			
5.	Appointment & payment of remuneration to Mr. Prateek Tayal as a Manager			
6.	Raising of funds			
7.	Alteration of MOA for increase in authorized capital			
8.	Approval of FFSIL – Employee Stock Option Plan 2017			
9.	Approval of FFSIL – Employee Stock Option Plan 2017 for employees of subsidiary companies			
10.	Approval for grant of options under FFSIL – Employee Stock Option Plan 2017 exceeding one percent to any identified employee(s) of the Company or subsidiary companies.			

Place :

Date :

(Signature of the Member)

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



- 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 ICSI COP Membership No. 4119 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 1st September, 2017 and as per Register of Members of the Company.
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Thursday, 7th September, 2017 (5.00 p.m. IST). Ballot Form received after 7th September, 2017 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.fortune.co.in and on the website of the CDSL 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.

[illegible]



NOTES

[illegible]

Sr. No.	Name of the Company	Nature of business
Wholly Owned Subsidiaries :		
1	Intime Equities Limited	Securities broking and DP (CDSL)
2	Intime Multi Commodity Company Limited	Commodity broking
3	Fortune Credit Capital Limited	NBFC - Loans against shares
4	Fortune Integrated Home Finance Limited	Housing Finance
5	Antique Stock Broking Limited	Securities broking and DP (CDSL)
6	Inga Capital Private Limited	Category I Merchant banker
7	Distress Asset Specialist Private Limited	Debt recovery agent
8	ITI Mutual Fund Trustee Pvt. Ltd.	Trustee Company
9	IRC Credit Management Services Private Limited	Insurance & Risk Management Consultancy and Debt Collection
Subsidiaries :		
1	ITI Asset Management Limited	Asset Management
2	The Investment Trust of India Limited	Investment & Wealth Advisory
3	ITI Reinsurance Limited	Reinsurance
4	ITI Gilts Private Limited	Trading in Debt Securities
Step-down Subsidiaries :		
1	Neue Allianz Corporate Services Private Limited	Corporate Services
2	Antique Stock Broking (IFSC) Private Limited	Securities broking
Associates :		
1	Fortune Integrated Assets Finance Limited	NBFC - Vehicle Finance
2	United Petro Finance Limited	NBFC – Unsecured loans to MSME



If undelivered please return to:
Fortune Financial Services (India) Limited
Naman Midtown, "A" Wing 21st Floor, Unit No. 2103
Senapati Bapat Marg, Elphinstone Road
Mumbai - 400 013